

**FREEDOM OF INFORMATION
AND
PRIVACY ACTS**

SUBJECT: BARKER/KARPIS GANG

BREMER KIDNAPPING

FILE NUMBER: 7-576

SECTION : SUB 3 Section 6



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SUBJECT Barker/Karpis Gang (Bremer Kidnapping)

FILE NUMBER 7-576 Sub 3

SECTION NUMBER 6

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EXEMPTION(S) USED -

Memorandum for Mr. Tamm

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4-12-57

Mayors:

Ed (Farris) called me about that Bill. He said they claim 21 votes in the Senate for it. The Secretary of the Governor said not to pay any attention to it and to keep the Governor out of it. Farris said that for one G (\$1,000.00) he could stop it. I told him I had no authority to give him. He said the Senate is in session until noon. I am just reporting what he told me. It's just a "shake". It looks like they are trying to get the grand. (\$1,000) He said four or five approached him. That means only four or five for the bill. If he could guarantee it for five C's, it would be all right. I know what they get over there. They get one C a piece. He'll keep the other five C's for himself. (Talked about what Farris did when the other bill was "hot". Said would tell the Mayor about it when he saw him. I'll try to get in touch with Hilliard. He's here in town. I'll call you.

Cellas:

Mayors:

Cellas:

Mayors:

(Hilliard is Chairman of the Racing Commission.)

March 9, 1957

7:05 P.M., incoming on No. 125

Akers:

Mrs. J. W. Dennis calling - said that a Mr. Barnes had called her today and said he would be over at 11 o'clock. She asked Akers if he was all right. Absolutely. Did he say he would bring anything over with him?

Mrs. Dennis:
Akers:

Yes. I probably will be out with him. I have a ring less than 2 karats, I'd like to sell you. I need the money and would sell it to you cheap. I wanted a 2 karat. You know, Mr. Akers, I'll keep this confidential. I want it, and I don't care where it comes from. You know you can trust me. Oh, I have known that for a long time. I want two 2 karats. You may be able to get a hold of another one.

Akers:
Mrs. Dennis:
Akers:

All right, Mrs. Dennis.

The above is an example of the type of people we have residing in Hot Springs which, in part, accounts for the difficulty in obtaining proper cooperation there and the fight against vice and corruption.

Memorandum for Mr. Tamm

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4-12-57

March 10, 1957

The following conversation, apparently refers to the appointment of a U. S. District Judge to succeed John E. Martineau, deceased, as C. Hamilton Moses, Attorney of Little Rock, has been mentioned in the press as a prospective appointee. It was also noted that the press reported that C. T. Gotham, attorney of Hot Springs, was recommended by the Garland County Bar.

10:05 A.M., outgoing on No. 648

Mayors: To 477
J. Roland
Helle.
Mayors: Don't say anything to the rest of the fellows of what I am going to say. Dick Ryan, Verne (Ledgerwood), and I were just talking here. That fellow is already appointed. They are just shaking a red flag against "Ham" Moses.
J. Roland Some of the bunch wanted me to have a meeting. When Sam Garrett comes in, tell him they are waving the "red flag" against that fellow. He's already got it anyway.

The report indicates that Agent Damron on March 11, 1957 noticed while in Hot Springs on other matters that the gambling establishments opened during the afternoon of that day after the adjournment of the Legislature.

March 11, 1957

The following conversation indicates possibly Akers' wife is working or is to work for Jacobs in one of his gambling establishments.

5:45 P.M., incoming on No. 2115

Dutch Akers: Is what I hear so? Jacobs: You mean about our opening up? Yes. We are going to open up a little tonight.
Dutch: Did you hear from my wife?
Jacobs: No, she may have got in touch with Otis. He's been out the club all day - I've been sick in bed.
Dutch: What's wrong?
Jacobs: Oh, every time we have bad weather I get a touch of gout.
Dutch: You haven't been drunk?
Jacobs: I should have.
Dutch: OK, partner.
Jacobs: OK.

March 12, 1957

The following conversation between Judge Verne Ledgerwood and City Attorney A. T. Davies indicates their possible interest in the gambling activities:

10:55 A.M., incoming on No. 2115

Judge: How you feeling?
Jacobs: Hello Judge - not so good.
Judge: Sonny is here with me - what do you need?
Jacobst: Two wheels and a hazard table will do - my wheels will be
here in the middle of the week.
Sonny: Two wheels and a hazard table - anything else Jake?
Jacobs: She will be glad to help you out.
No. That's all, thank you.

9:20 P.M., incoming on No. 2115

Jacobs: Hello.
Loo: Just finished with a long council meeting. We're gonna
put in meters from Fountain Street to Market.
When?
About ten days.
Had a big loss today, six thousand downtown, two thousand
in the country. We haven't many tools yet, so we've got
to run 'em right.

You will note from the above conversation reference to the fact that because
of lack of tools they had to run the gambling devices right.

March 15, 1957

5:55 P.M., incoming on No. 2115

Mayor McLaughlin: They report about cutting the "take" in two at the race
track yesterday, and that taking bets did it. Have you
been taking them?
No, not one.
I was talking to the Comptroller. There were four or
five there. Albright (Head of State Rangers) was there
and asked about the Belvedere. Somebody said they were
against all organized gambling.
We won't open until we get further word. You'll call me
soon as you hear?
They said that during the races, the "books" shouldn't be
open.
In a lot of places, they close the "books" when there's
races. We're closed.

Memorandum for Mr. Fann

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4-12-57

4:07 P.M., incoming on No. 2115

Tink Young:

Jacobs:

Young:

Jacobs:

Young:

Jacobs:

Young:

What's new?
Just talked to "The Kingfish" (Mayor McLaughlin).
He said they cut the "take" in two at the track
yesterday.

Hah! What about it?
It cut the State's share. Yesterday was a bad
day. Rained. He said to close everything;
Southern; Belvedere.
Guess we'll have to go on the sneak again.
If you can grab anything, take it, but don't let
them upstairs.

O.K.

The above conversations indicate that the main objection to the operation of
bookies at Hot Springs during the racing season is because it interferes
with the volume of gambling conducted at the race track, upon which the
State obtains a percentage of profits.

March 15, 1957

7:15 P.M., incoming on No. 2115

Loo:

Mans:

Loo:

Mans:

Loo:

Mans:

Hello.
Lemme talk to Jake.
Jake is in bed sick, this is Leo.
That's fine, I was gonna ask Jake what you had

found out.
Well, I talked to Grady Manning and his idea of
this thing is that the books were interfering with
the State tax. The take is not what it should be.
The handle dropped off 50% and they blame the books
for it and there is some justification to this.
But Belvedere just got caught in the rush. He thinks
the fellows from Little Rock did not intend to touch
Belvedere - it was an after thought. We should get
it ironed out by Tuesday.

OK, thanks a lot Leo.
(Grady Manning is President of the Southwest Hotel
Chain, with offices in Little Rock and reported to
be close to the State administration).

Memorandum for Mr. Tamm

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4-12-57

This report also covers a series of telephone conversations between Marion Anderson, Sheriff of Hot Springs, Roy Erney, his chief deputy, and Jacobs on March 13, 1957, in which they advised Jacobs to close up the various gambling establishments as the State Rangers were going to raid that day. Apparently, however, the raid was not made.

Respectfully,

L.M. Chapman

J
X

M

LMC:TD
7-576

April 18, 1957

MEMORANDUM FOR MR. TATE

The following is a summary of the pertinent information obtained from the telephone taps at Hot Springs, Arkansas, as reflected in the report of Special Agent John L. Madala, dated at Little Rock, Arkansas, March 27, 1957. This report indicates that the principals under investigation at Hot Springs do not appear to be making many damaging statements over the telephone and it will be noted as herein outlined that reference is made in a conversation in which the Mayor is a party to the tapping of his telephone.

RECORDED

March 18, 1957

& INDEXED

7-576 + 3-1063

6:00 P.M., March 18, 1957, Incoming on No. 2115

AM 20 37

RES. DIV. FOR

Jacobs:

Leo:

Jacobs:

Leo:

Jacobs:

Leo:

Jacobs:

Leo:

Jacobs:

Leo:

Hello.
Well, how you feeling?
Better; I can turn over in bed without any pain now.
I just came in from the track, betting was pretty
brisk. Say, you must have been talking to a lot
of gals lately, someone was just telling me your
telephone was tapped. How about it?
(Grunted) Uh huh - I dunno.
I was talking to that fellow Bransford out at the
track today. He said that he was talking to "you
know" and he expected us to give those people jobs.
I told him that we was going down the line with him
all the way but we can't give 'em a job now. He
said, "well those folks have got to have a place to
stay so why don't you open up that place over there."
I told him I'D see him later about it and for him
not to tell him he had talked to me. He said he
wouldn't tell. I think Bransford is all right.
Yeah he's all right. What do you think about us
sneaking a little dice down at the Ohio tonight?
Well, you've been doing it anyhow haven't you?
No we haven't. We've been painting upstairs and gettin'
things fixed up, we just thought we'd sneak a little
dice tonight.
Well, I'D be mighty careful about it.

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Jacobs:
Lee:

We will.
Well, I'll see you later.

March 18, 1937

The following conversation reveals the Mayor's interest in W. S. Jacobs' gambling enterprises in Hot Springs, and his strategy in keeping in line with people in political power, so as not to cause any unnecessary "heat" on the gambling operations in Hot Springs, Arkansas.

9:45 A.M., March 18, 1937 Outgoing on No. 648

Will Atkins:
Lee:

Mayor contacted Operator 4, Little Rock Arkansas.

Hello, Leo.

The reason I called you was to tell you about John (Atkins) before you heard it from someone else, so as not to impair our friendship. I think John got mixed up around here last night. The Sheriff was telling me about it. He had about two drinks too many out at the Belvedere last night and got to talking too loud about bringing some officers in here. Anderson talked to him but didn't get far, they took him down to his hotel. Just wanted to let you know. Thanks a lot Leo, I appreciate you calling me a whole lot.

There appeared a newspaper article in the Hot Springs New Era dated March 8, 1937, disclosing that Elmer Tackett will oppose Leo P. McLaughlin in the general city election on April 6, 1937 for the office of Mayor of Hot Springs, Arkansas. The article went on and related that Tackett was drafted by a cross section of the business, professional and laboring men of Hot Springs, to make the race for Mayor, and that from all indications the mass of people apparently feel that the future welfare of Hot Springs depends largely upon a change in the Mayor's Office at this time. The following two conversations apparently refer to the general city election on April 6, 1936 and clearly reveal the corrupt politics prevalent in Hot Springs.

10:50 A.M., March 17, 1937 Incoming on No. 2115

Mayor called Jacobs, saying it looked like "that fellow is going to stay in" and that they needed to begin to get organized right away. He instructed Jacobs to get up a list of all outsiders, outside help - also mentioned the orchestra now at the Belvedere and the one formerly there - with addresses, and send them down to his (Mayor's) Office.

NOTE: "That fellow" in the above conversation probably refers to Elmer Tackett.

4-12-37

In the March 21, 1937 issue of the Arkansas Gazette newspaper at Little Rock, Arkansas, there appeared an article written by Edgar B. Chesnutt, staff correspondent, in which C. Floyd Huff, Jr. made the following statement which appears of interest: He stated that three days ago (March 18) he saw at the Oaklawn Race Track in Hot Springs, an employee of the track soliciting names of strangers for use in obtaining poll tax receipts which can be used in next year's State Primary election; that he conveyed this information in a letter to Governor Bailey. He further said that he had been informed by a reliable source that solicitation of names for use in paying poll tax had been ordered by the administration Thursday morning in the Mayor's office, to which the gamblers and bookmakers were requested to attend. Huff went on to relate that while standing in the grandstand at the race track he saw one of the ushers in uniform present a document to various persons for signature; that naturally this aroused his curiosity, and he succeeded in getting close enough to hear him request two spectators, strangers to him, to sign the paper and to hear the usher explain that it was to be used to buy poll tax receipts. Huff stated that he was successful in getting a glimpse of this paper and from what he saw it appeared to be a petition or authorization for the person concerned to assess the poll tax of the person signing the document. He said there appeared to be some 30 or 40 names signed to the paper; that when the usher, whom he did not know, recognized him, the usher took the paper and put it in his coat pocket and walked off and attended his duties as usher.

9:31 A.M., March 18, 1937 Outgoing on No. 648

Hazel: 1937 (C. J. Spencer)
Operator: Line is busy.
Hazel: Then give me 341 (Citizens Sporting Results)
Woman: Citizens.
Hazel: Is Mr. Harris there?
Woman: No.
Hazel: Just a minute.
Geo. McLaughlin: Say is Nix there?
Woman: Yes.
Nix: Hello.
George: Nix, George McLaughlin. When Ben gets down there tell him to bring all the boys and meet Leo at 11 o'clock down here.
Nix: Sure will.

The above refers to calls which the Mayor had his secretary make to various gambling houses, such as the Ohio Club, Blue Ribbon Club and Southern Club and advised them to attend a meeting which the Mayor had scheduled concerning the coming election.

Memorandum for Mr. Tamm

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The following is an example of Mayor McLaughlin's diplomacy in gaining the good will of Governor Bailey:

Outgoing on 643 - 11:50 A.M., March 18, 1937.

Leo: 2089
Operators: Line busy.
Leo: Then try Hall again, Secretary of State's office.
Hall: Hello Leo.
Leo: How are you. Say, we've got this Governor L-e-o-h-e from Louisiana in here, tell Carl if he has not given away his box for the day, he should offer it to him as a gesture. It is a gesture we should do. He is staying at the Arlington. Fire him and then let me know.
Hall: Thanks Leo, we certainly will.

The following conversation is self-explanatory:

11:01 A.M., March 19, 1937 Outgoing on No. 2115

To 743.
Jacobs: Hello, Judge.
Judge (Ledgerwood): Yes.
Jacobs: This is Jacobs. I've got something on my chest. I figure that Bailey (Governor) is mad at Sunny (Davies) and Leo (McLaughlin). Now "Ham" (Hamilton Moses) is really Robinson's (U.S. Senator Joe T. Robinson) spokesman, and I think they are all Robinson men, don't you?
Yes, I think so.
They don't like Leo (McLaughlin), but Moses will do anything for Sunny (Davies). I figure to send Sunny over there and talk with Moses and get things straightened. Don't say anything to Leo about this, but he goes over but its not so good.
I've got some irons in the fire today and tomorrow. Then we'll work on it.
We ought to send Sunny over there and keep Leo away from there. He keeps going over there and they don't like him. Now my doctor, Mr. Smith, told me he is a friend of Moses and offered his assistance, but nothing was done. Get Sunny to go over there and see Moses and get in touch with Bailey and the rest, and he can set Leo in. You know I believe that "Hardin" and Beavers" are trying to muscle in over here.

Memorandum for Mr. Tamm

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Ledgerwoods I think there is something in what you say and we
may be able to work it.

"Hardin" and "Beavers" mentioned above are gamblers from Little Rock,
Arkansas.

At about 4:15 P.M. on March 19, 1937 five masked and armed robbers
held up the Southern Club, which is owned by Jacobs and escaped with \$3,100.
Those robbed were Thomas Abbdo, \$500.00; Spike Dooly, \$3,000; Brass
McDonald \$700.00; Sam Nathan \$500.00 and a man named Murphy \$900.00. They
also obtained \$2,500 belonging to Jacobs. The men who were robbed, above
mentioned, apparently are bookies from Chicago, who had been expelled from
the racing grounds and were hanging around the Southern Club. The follow-
ing conversations concerning this robbery indicate that both Jacobs and
the Mayor endeavored to hush up the publicity because they did not want it
known at that time that bookies were operating in Hot Springs.

4:18 P.M., March 19, 1937 Outgoing on No. 2115

Jacobs: 1283 (Unlisted phone of Southern Club)

Frankie: Hello.

Jacobs: Is Roscoe there?

No, not just now.

Jacobs: Who is this?

Frankie: Frankie.

What happened up there?

Five holdup men stuck us up - they got Roscoe's box.
I don't think there was much in there - we already
had taken the money to the bank twice. I think
they got around \$2,000.

Well, we're going to close up taking horse bets -
we'll open the poker upstairs and out in the country
tonight.

That's fine.

Don't take any more bets around there.

All right.

4:55 P.M., March 19, 1937 Incoming on No. 2115

Jacobs: Hello.

Mayor: What happened over at the Southern?

Jacobs: Five men stuck it up while we were talking a little
while ago - they made Roscoe open up the safe and
got around \$2,000 from him. They also took \$3,000
away from Spike Dooly and \$1,500 from Abbdo. Both
of them were upstairs when the robbers stuck up the

4-12-37

Mayors:

Jacobs:

5:05 P.M., March 19, 1937 Incoming on No. 2115

Jacobs:

Tink Young:

Jacobs:

Tink Young:

Jacobs:

Tink Young:

Jacobs:

place. It looks like an inside job to me, because Roscoe cashed a \$4200 cashier's check for Dooley this afternoon.

It's too bad this had to happen - it might put some heat on us, if the commission found out that you were sneaking some bets up there.

Well, it couldn't be helped.

Hello.

This is Tink.

They got straightened around, Tink - we're going to run tonight, but he asked me not to run any books until after the races - that is the agreement he made with them.

That's fine.

Roscoe just left here - he told me all about the trouble at the Southern.

Yeah, that was too bad.

We're going to deny it - that's what he said we should do.

5:45 P.M., March 19, 1937 Incoming on No. 2115

Jacobs:

Mayors:

Jacobs:

Mayors:

Jacobs:

Mayors:

Jacobs:

Mayors:

Jacobs:

Mayors:

Jacobs:

Hello.

Hello.

What do you know?

I was talking to Charlie Goalee - they want to know what happened at the Southern.

There were four or five fellows in the place - all bookmakers, and five fellows stuck them up. They came down from the mountain, and got in the back way. It looks like an inside job to me.

How much did they get?

They got around \$1500 from Roscoe - the money was in the safe, and they made him open it - then they got \$3500 from Spike Dooley. He had a \$4200 cashier's check cashed this afternoon.

It looks like they knew about that money and were after it.

Uh huh.

Who is he?

He's a bookmaker - there were five of them upstairs.

Memorandum for Mr. Tamm

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Mayors
Jacobs:

Who were the others? Sam Nathan, Thomas Abdo, and a fellow named Murphy. They were all put off the track and hung around the club after that.

5:55 P.M., March 19, 1957 Incoming on No. 2115

Akers:

The papers have been after me for a statement - what shall I tell them? Leo is at the newspaper office now, giving them a story. I had Frankie give Leo the dope on it. How much did they get from Roscoe?

Akers:

Around \$1500 to \$2000. Is that all - I thought he had a lot of money on hand,

Jacobs:

figuring you were going to open tonight. No, that's all they got, but we're covering it.

Akers:

I'll call you later, or drop by.

6:30 P.M., March 19, 1957 Incoming on No. 2115

Jacobs:

Hello.

Mayors:

Goalee was very much peeved at Roscoe, because he wouldn't tell him anything. I got it all straightened now, and everything is all right. That's good. The point I was trying to get over was that the holdup was not individual, but that they were after the money those bookmakers had on them. After I talked with Frankie I gave them a story that won't hurt us. They're all pleased now. The paper is going to say that it was a bunch of bookmakers that were held up and that the money in the safe belonged to the Southern Grill.

There has been some talk at Hot Springs that within the next few days a swank casino will be opened upstairs of the Ozark Cafe at 724 Central Avenue. Telephone conversations relative to this place indicate that Herb Wheatley, Red Powers and Harry Bledsoe will operate this place, with the financial assistance of W. S. Jacobs. The following conversation undoubtedly pertains to this gambling place, and it is particularly interesting to note that Jacobs suggested to Wheatley that he see Mayor McLaughlin relative to opening this casino on the following day, (March 20, 1957);

8:05 P.M., March 19, 1957 Incoming on No. 2115

Jacobs:

Hello.

Wheatley:

Herb Wheatley, Mr. Jacobs, how you feel?

Jacobs:

All right I've got everything fixed up. We

4-12-37

won't book no horses here till after the races. I think if you will go over to see him (Mayor) you can get it all fixed up to start tomorrow night, even if you are not ready.

Yeah, I'll do that. One of my men though, you know Walter, got drunk on my yesterday.

How's the place looking?

Swell, everybody that sees it says it'll be the best looking room in Hot Springs. I've got to get some money from you tomorrow to pay off with.

All right bring a blank check with you.

How are things looking in general?

Fine, better than they ever have.

Too bad about that stick up.

(Laughs) Yeah, I think it was an inside job, though.

How much did they get.

We only lost 2000, they made Roscoe open up the safe and got 1500 from there and 500 out of Roscoe's pocket that Simonds had just given him. They hit the bookies heavy - 500 off Sam Nathan; 1500 off Abddo; 3500 from Spike.

Well, I'll see you at noon tomorrow.

All rightie.

The following conversation shows the close association of Herbert "Dutch" Akers with Grace Goldstein. One Ned Stewart is Prosecuting Attorney at Texarkana, Arkansas, and one Dexter Bush is Judge of the Circuit Court at Texarkana, Arkansas.

8:23 P.M., March 19, 1937 Incoming on No. 123

Ned Stewart

Advised Dutch that he and Judge Bush were "in town" at Room 310 Como Hotel - not to come over if he got a complaint from the Como (jokingly). Asked if it was OK for them to visit the place "just past the Arlington (Hatterie Hotel) for a "good time". It's OK there. Tell her that you are a friend of mine. Hope I see you tomorrow.

The following related conversations further sustain the fact that G. E. Palmer, publisher of Hot Springs newspapers, is "go-between" for the gambling syndicate and Governor Carl F. Bailey in the matter of the syndicate's efforts to reopen gambling in Hot Springs.

Memorandum for Mr. Tamm

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4-12-37

10:45 A.M., March 20, 1937 Incoming on No. 648

C. E. Palmer calling the Mayor. Was told that he was out and requested that the Mayor call him later at his office.

10:47 A.M., March 20, 1937 Outgoing on No. 648

5800 (Arkansas National Bank)

Hazel calling Leo about C. E. Palmer's call. Leo said he would drop by Palmer's office later.

12:04 P.M., March 20, 1937 Outgoing on No. 648

2115 (W. S. Jacobs)

Mayor: I just called to tell you that the man that went over yonder for us did all right. In fact it was very satisfactory. However, I am glad I told you what I did a while ago.

Jacobs: That man (Herb Wheatley) just left and I told him what you said.

Mayor: That's all right. I'll tell you more about it when I am closer to you. See you later,

6:55 P.M., March 20, 1937 Incoming on No. 2115

Mayor: Hello, just got in from the track. Biggest crowd we ever had out there and more money bet than any other day, about \$160,000.00.

\$150,000 eh, I figured it would be \$200,000.

There were eight races today. I was just sitting here and watching the cars go by. There ought to

be a big crowd out there (Belvedere) tonight.

I don't know yet.

I had a long talk with Palmer (C. E. Palmer) today and he said he had a long talk with "The Man" (Mayor here talked in a whisper and agent was unable to understand what he was saying. He continued) Afterwards I talked with the man, who gave us the word last week, you know, "The Chief". He said he wondered that they (probably the persons who robbed the Southern Club) didn't take that place (Belvedere?) on the way out of town. I just left him. He was on his way back to Little Rock.

Memorandum for Mr. Tamm

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4-12-57

The following conversation further indicates that his desire to make money causes W. S. Jacobs to break his promise to the Mayor to restrain from booking horses until after the racing meet in Hot Springs.

12:25 P.M., March 20, 1957 Incoming on No. 2115

Jacobs: Hello
Roscoes: Well how'd things go last night?
Jacobs: Made \$600 at Southern, lost at Ohio.
Roscoes: Tom Ray's in town; wants to bet.
Jacobs: He can't take it.
Roscoes: Well just wanted to know. Tom's a good bet you know.
Jacobs: I know, but we've promised positive, of course now, if we had somebody outside of our regular men we might be able to ease it around a little. He bets so much it's kinda hard to let go by.
Roscoes: O.K. I think we'll be able to wiggle it around.

10:31 P.M., March 20, 1957 Incoming on No. 2115

Jacobs: Hello.
Mayors: I'm at home - after I talked with you I went by the newspaper office. It's nothing at all.
Jacobs: I didn't think so.
Mayors: Those people are friendly anyhow. I think they wanted to make sure that the "old lady" wasn't going to put something over on them.
Jacobs: Yeah, I guess that's it.
Mayors: Lots of cars downtown tonight.
Jacobs: Yeah, lots of people in town. I wonder if it's OK to open tomorrow afternoon.
Mayors: It won't make any difference.
Jacobs: We'll open over the Ohio. Tom Ray and a few private citizens want to book them.
Mayors: I think it'll be all right - there's no racing tomorrow - that's all they are concerned about.
Jacobs: Did you find out what the take was out there today?
Mayors: No, I didn't - I'll call right now and call you back.

10:36 P.M., March 20, 1957 Incoming on No. 2115

Jacobs: Hello.
Mayors: It was \$171,000 today.
Jacobs: That's an all-time high, isn't it?
Mayors: Yeah, the newspapers just told me. They had a big day today.

Jacobs: Have they done any checking in the country yet - has anybody come in to look around? No, I don't think so - they haven't said anything. I don't think they'll be around there. I've got to go downstairs, I'll call you later.

Jacobs: All rightie.

The above is an indication of the volume of bets being made at the race track, Hot Springs.

The following conversation indicates the close connection between Dutch Akers and Marshall Purvis, Attorney, who has in the past furnished this division with valuable information:

10:45 A.M., March 20, 1957 Outgoing on No. 448

870 (Purvis & Purvis, Attorneys)
Akers asked for Marshall Purvis and secretary told him Purvis would be away a few minutes. Akers told her he was sending Purvis a client up and for Purvis to "treat him right."

11:45 A.M., March 20, 1957 Outgoing on No. 128

Akers called Mr. Shepherd of the Telephone Company and in a friendly manner argued with Shepherd about the telephone which has been disconnected at Highland Park Inn for non-payment of charges by the previous owner. Akers now owns or has an interest in the Highland Park Inn. The conversation ended as follows:

Akers: Oh, say, you heard anything?

Shepherd: No, I haven't.

Akers: Well, keep your ears open for me on that.

Shepherd: I'll do it. Have you heard anything I would be interested in?

Akers: No. I'll listen out.

This report also indicates that former Chief of Police Joe Nakelin is still friendly with Grace Goldstein and that she is acting as a confidential informant for him. The report also indicates that a suspect in the above mentioned robbery is Joe Panama of Chicago and the Little Rock Office is requesting the Chicago Office to discreetly ascertain the identity of Panama and his connections.

The following conversations indicate knowledge by the Police Department of activities of prostitutes in Hot Springs:

Memorandum for Mr. Tamm

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4-12-37

6:10 P.M., March 20, 1957 Incoming on No. 128

"Pat": Asked for Chief.

Raspberry: Hello,

"Pat": Chief, this is "Pat". Miss Hargrove and I were picked up last night while we were eating in a cafe. The night captain arrested us - charged us with loitering. We weren't doing anything. I've never been in court in my life - you can ask Cecil Brock. I called him last night.

Raspberry: Did you come to court this morning?

"Pat": No. They said we could put up \$10.00 cash bond for loitering and we forfeited that rather than be embarrassed by court. What I want to know is this - if they've got it in for me, well I'll just have to go somewhere else, because I can't make a living by paying fines like last night. You know I'm at the Eddy (Hotel). Mr. Blake there talked to Mr. Akers, and Mr. Akers didn't have anything against me - he said it was all due to the night captain. Wish you'd look into it and let me know how I stand - whether I'll get picked up every time that I go out. I answer some "calls" but I've never been in court before. If the night force have got it in for me I'll just have to leave town. I don't know. I'll look into it. Didn't know anything about it until I saw your name this morning.

Thank you.

7:10 P.M., March 20, 1957 Incoming on No. 128

Woman: Mr. Akers, this is Mrs. Blake at the Eddy Hotel. Can I see you tonight sometime?

Akers: Just going out to eat now. What's it about?

Woman: I can't tell you over the phone - can you stop by?

Akers: I'll come by after supper.

Woman: All right.

7:16 P.M., March 20, 1957 Incoming on No. 446

Woman: Jerry Watkins there?

Watkins: Hello,

Woman: Jerry, this is Inez. Will you call Mr. Williams up

Memorandum for Mr. Tamm

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4-12-57

Watkins:

at the Empire (Hotel) and tell him its all right
with you all for me to come in there and work. He
says its OK with him but wanted to be sure it's
OK with you. Be sure to call him tonight, will
you?
All right.

Respectfully,

L.M.Chipman

LMC:MC
7-576

April 16, 1937.

Eee

MEMORANDUM FOR MR. TATE

Edw M
Re: Bremer Case

The following is a resume of pertinent telephone conversations obtained through the telephone taps being maintained at Hot Springs, Arkansas, as recorded in the report of Special Agent John L. Madale, dated at Little Rock, Arkansas, April 6, 1937.

On March 25, 1937, Mayor McLaughlin called Mr. Shepherd, manager of the telephone company, and advised that the telephone line out of the Mayor's office was being tampered with. He mentioned hearing clicking noises and that he has also heard some extracts of his telephone conversations being repeated around. You will recall that teletypes have been received from the Little Rock Office concerning this matter and that the tap was lifted for several days but was resumed when it did not appear that the telephone company was making any investigation concerning same.

On March 21, 1937, an article appeared in the Little Rock Democrat newspaper advising that in spite of the ultimatum against gambling issued by Governor Carl E. Bailey that roulette wheels, dice and other gambling games were going at full capacity at Hot Springs.

The following conversation between Mayor Leo P. McLaughlin and John Bransford, Designate Speaker of the House of Representatives is self-explanatory, and evidences the fact that Bransford is one of McLaughlin's many intermediaries in his efforts to reach the Governor.

12:16 P.M., March 21, 1937 Outgoing on No. 648 W.T.M.

Mayor placed long distance call to John Bransford, Lonoke, Ark.

RECORDED & INDEXED 7-576-3-107

Mayors John, this is Leo. What are you doing, eating your dinner?

FEDERAL BUREAU OF INVESTIGATION

Bransford Yes. Just got through. Say, I saw all that publicity in the papers you got (laughs).

Mayors Yes. You know we had more people in town last night than I have ever seen before. I tell you I never saw such a crowd. There is only two places

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4/16/37

"running - the Southern and Belvedere. We are cutting out that small stuff. That slimey, petty slot machine. We are just not going to stand for that stuff - none of those machines, etc. Now the two newspapers and the people are backing us on the two places running now - and we will keep that backing as long as we hold to that and not have any of that small stuff. I knew where you were going tomorrow so I thought I would call you.

Yes.

I just thought I would call you and you would go over there and kind of give the idea that we got the backing for those two places - they will not kick - the newspapers and people as long as we have none of that other stuff. You see what I mean? I thought I'd give you that idea. He ought to know that anything politically wanted, why, we would just dump it in his lap. You know that.

Yes, I know. And the best thing about it is it won't cost him anything. He won't have to buy up any ballot boxes. (Both laugh)

Well, I'll talk to Carl and get his reaction. I understand. (Mayor then exchanges racing talk and states that they are being attended by the largest crowds in history - and stresses the point that the attendants want to go to high-class places as the Southern and Belvedere after the races.)

Well, I'll get Carl's reaction and let you know. I'll call Hendrix and get him to be sure and be there."

On March 21, 1937, Tink Young breathlessly called Mr. Jacobs advising him that Marion Anderson, the Sheriff, had just come to the gambling establishment with a special delivery letter from Judge Witt. Jacobs called Mayor McLaughlin asking him about this, and McLaughlin later got in touch with Marion Anderson and made arrangements so that no arrests would follow and so that the Judge would not interfere with the gambling. With reference to this, the following is pertinent:

8:52 P.M., March 21, 1937 Incoming on No. 2115 B.H.S.

Jacobs: Hello.

Leo: I talked to him (Witt) it's all right.

Jacobs: Good.

Leo: He just didn't know how it was. I explained everything to him just like I did to you. I told him that that was that 15th agreement, the same situation as we had at Miller's you know, just a matter of moving upstairs. I told him it was going to be fixed. I told him that



Memo for Mr. Tamm

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4/16/37

"he (?) told me to make my arrangements by Monday and I was doing that.
Jacobs: Will they have to come down to court now? Marion cited them.
Leo: Oh no, not now.
Jacobs: Marion is here now!
Leo: Let me talk to Marion.
Marion: Hello.
Leo: Everything's all right now, he just did not understand how things were. I explained everything and it's O.K.
Marion: All right.

8:55 P.M., March 21, 1937 Incoming on No. 2115 B.M.S.

Jacobs: Hello
Young: Tink talking
Jacobs: You needn't go over there in the morning.
Young: That's the reason I called you up.
Jacobs: It's all right now, go right ahead.
Young: Right ahead now?
Jacobs: Yeah.

8:57 P.M., March 21, 1937 Incoming on No. 2115 B.M.S.

Young: Tink again, I just wanted to be sure, you say open up now?
Jacobs: Yeah, go ahead and you needn't send nobody over.
(To court.)"

"The following conversations further reveal Mayor McLaughlin's interest and control over illegal gambling in Hot Springs, Arkansas:

12:05 P.M., March 22, 1937 Incoming on No. 2115 B.M.S.

Jacobs: Hello.
Leo: We've been talking this thing over this morning and here's what we was thinking. Of course as you know we've got a certain understanding over there (Little Rock probably) but as time goes on things change. You know how that is. We've thought it over and we (?) think it best for Tink not to operate for a while. It would be bad if one of those fellows did come up there and

Memo for Mr. Tamm

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4/16/37

"find you were running another place in addition to the two (Belvedere and Southern) agreed on, see? Tell them at the Ohio not to discuss the closing with anybody, just to close as quietly as possible. He's gonna make that report to the grand jury this morning. I'll call you later."

Jacobs: All right."

The following conversations indicate that apparently Jacobs and the Southern Club were able to obtain contact with the robbers who robbed the Southern Club as reported to you in my last memorandum and to have obtained a check from the robbers covering the Southern Club's losses.

2:15 P.M., March 22, 1937 Incoming on No. 2115 J.L.M.

Long Distance Operator advised that Mr. Gene Morton was calling from St. Louis, Missouri, collect.

Jacobs: Hello.

Gene: This is Gene - how are you feeling?

Jacobs: Pretty good. Those fellows (robbers) mailed the check back to us.

Gene: He stopped payment on it - he said he would write you details as to what to do.

Jacobs: Well, he could just send me another check, and I'll send this one back to him.

Gene: He said he was going to write to you. If you have any trouble with him, just let me know and I'll straighten it out for you.

Jacobs: All rightie - those robbers mailed everything back to me.

Gene: How's business?

Jacobs: Business is good, but only half of what it should be.

People are afraid on account of the holdup and the heat on the town - then I don't have many tools, but I got some new ones in today. He only gave permission to open two places - the Southern and Belvedere. Anytime you want to work for us again, just come back. It looks like we're going to stay open.

Gene: Thanks, Mr. Jacobs. Heard you were sick in bed.

Jacobs: Yeah. Got the rheumatism. I'm in bed now.

Gene: Well, hope you get well soon.

Jacobs: Thanks, Gene - goodbye."

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The following conversations further reveal the fact that Mr. C. E. Palmer, publisher of the Hot Springs newspapers, is the intermediary between Carl E. Bailey and Mayor McLaughlin, who appears to be representing the gambling syndicate in Hot Springs.

3:15 P.M., March 22, 1937 Incoming on No. 648 H.A.S.

Long Distance Operators Mr. Palmer at Texarkana, Arkansas, is calling Mayor McLaughlin.
Hazel: He's out, but I'll get in touch with him.
Long Distance Operators Have him call operator 8.

3:25 P.M., March 22, 1937 Incoming on No. 2115 J.L.M.

Jacobs: Hello.
Mayor: I just talked with Palmer - he said that the Governor called and told him that we had better close down here until after the races.

Jacobs: You mean close down everything?
Mayor: Yeah, I don't believe anything can be done until after the races.

Jacobs: Then you think we better close tonight?
Mayor: Yeah, it would be best. He said that there's a lot of fire down here because of the newspaper story in the Gazette yesterday.

Jacobs: You suppose this is for good?
Mayor: I think so, although they said it is just until the racing meet is over. I think they're stalling in this thing - he said the Governor told him that these places are keeping the money away from the race track, and also that there are a lot of State Rangers in town while the racing is on, and that they had orders to see that these places remain closed.

Jacobs: They haven't been around to bother us.
Mayor: I know, but that's what he said. Palmer said he will be here tomorrow - that they got him (the Governor) 'ribbed' about this thing down here.

Jacobs: Then you think we ought to close tonight?
Mayor: Yeah, he said the best thing not to open tonight; that it will eventually iron itself out.

Jacobs: All rightie.
Mayor: They've also got to get to this fellow Alban (or Auburn) before they go do anything.

Jacobs: Uh - uh.
Mayor: Well, I'll see you tonight, and we'll talk it over.

NOTE: The identity of Alban or Auburn is not known at this time."

Memo for Mr. Tamm

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The following indicated that Jacobs is able to control the winning races at the race track:

"4:02 P.M., March 22, 1937 Incoming on No. 2115 J.L.H.

Jacobs: Hello.
Frankie: This is Frankie - Abbdo called up down here - he wants to have a couple of winners. I just wondered whether it's all right.
Jacobs: Yes, let him have one or two, but tell him to keep it quiet. He's probably booking.
Frankie: He called only once and asked me whether he could have some.
Jacobs: Yes, let him have one or two.
Frankie: Anything new?
Jacobs: Yeah, we closed up and will stay closed.
Frankie: Was that last night?
Jacobs: No, just now - everything's closed up and there's nobody at both places."

"The following conversation indicates the possibility that Jacobs will not turn any 'fix' money over to Palmer in view of the orders issued by Bailey prohibiting further open gambling in Hot Springs:

"3:45 P.M., March 22, 1937 Incoming on No. 2115 J.L.H.

Jacobs: Hello.
Smitty: I'm all closed and locked up, and those two tops will be up there in a minute.
Jacobs: All rightie.
Smitty: What do you want me to do about this 'fix'?
Jacobs: The what?
Smitty: I got this money in my pocket.
Jacobs: Hold it.
Smitty: That's what I thought. I'll be up there in a few minutes.
Jacobs: All rightie."

"The following conversation pertains to 'Dutch' Akers' request of Roscoe Johnson and Frank Souder to appear at the City Jail and look at several prisoners in an effort to identify them as the men who robbed the Southern Club on March 19, 1937:

Memo for Mr. Tamm

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4/16/37

6:37 P.M., March 22, 1937

Incoming on No. 2115 J.L.M.

Jacobs: Hello.
Roscoe: That guy insists upon me coming down there to identify those fellows - I already told them I can't identify any of them. Won't you call up there and tell them to stop bothering me and that I can't identify any of them.
Jacobs: Who's that, Dutch?
Roscoe: Yeah, he and Swede have been calling me since last night.
Jacobs: I think it would be best if you go on down there and look at them. We might be criticized by the newspapers if we didn't cooperate with the law.
Roscoe: Well, I can't identify them.
Jacobs: Just look at them and tell Dutch you can't identify them. But I think you and Frankie Sonder ought to go over there.
Roscoe: All right - that's a tough break about closing.
Jacobs: Yeah, call me tomorrow morning - I think we'll go back to sneaking bets on the horses again. I'm going to see 'a fellow' (Mayor) tonight about it.
Roscoe: It looks bad, doesn't it?
Jacobs: Yeah, it's the toughest it's ever been.
Roscoe: All rightie, I'll call you tomorrow.

On March 22, 1937, a new grand jury for Garland County was impaneled for duty during the present term of the Circuit Court, and telephone conversations overheard indicated that Mayor McLaughlin indirectly participated in the selection of these jurors. The telephone conversations indicated that the preparation of Circuit Court Judge Earl Witt's charge to the grand jury was partly prepared by Mayor McLaughlin. It consists of three and one-half pages and therefore is not set forth herein, but is outlined on pages 21, 22, 23 and 24 of Agent Madala's report. There is nothing of particular interest in this charge, except that it shows a clever indirect method of controlling the actions of the grand jury with reference to suppressing vice and gambling at Hot Springs.

7:05 A.M., March 22, 1937 Outgoing on No. 2115 B.M.S.

Jacobs: 2485 (Belvedere Club)
Otho: Hello.
Jacobs: Otho, Jacobs, in the morning, if you get a chance, go down and see the Mayor. I want you to get off those absentee votes. Get one of those lists of all those we've (?) got to assess.
Otho: All right."

Memo for Mr. Tamm

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11:30 A.M., March 26, 1937 Outgoing on No. 2115 R.M.S.

Jacobs: 648
Hazel: Mayor's office.
Jacobs: May I speak to him?
Hazel: Yes, just a minute.
Mayors: Hello.
Jacobs: That stuff you give Roscoe - you want him to git
duplicates?
Mayors: No, just keep going 'up there' with them, two or
three at a time.
Jacobs: Oh I see, you mean use 'em over and over.
Mayors: Yeah, and also keep making copies of those lists.
Jacobs: What do you mean by "up there" - McWilliams?
Mayors: No, No, County Clerk.
Jacobs: Oh, all right.

"The following conversation between Mayor McLaughlin and
Jack Holt, State Attorney General, is of interest:

9:35 A.M., March 23, 1937 Incoming on No. 648 W.T.M.

(Connection with Holt at Little Rock established)

Mayors: Jack, Leo. What you say?
Holt: Oh, not much. We are pretty much covered up here.
I think we can come up for air soon.
Did you give that much thought that I called you about?
Yes. I'm coming over there today and I'll talk to
you. When can I see you - at dark or after dark -
what?
Yes. You going to stay over after races?
No, I got to get back - but I'll be at the Arlington
after the races. Where can I get hold of you at
about 7 o'clock?
I tell you what do - you call me at 630 at 7 o'clock
and I'll arrange to come to you.
Yes, that's the best way to handle it.

10:40 A.M., March 23, 1937 Outgoing on No. 2115 J.L.M.

Jacobs: 210 (Ohio Club)
Jackson: Ohio.
Jacobs: Is Tink around?
Jackson: Not yet - this is Jackson talking.

Memo for Mr. Tamm

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Jacobs: Was he there yesterday?
Jackson: No.
Jacobs: I wonder if he's in town.
Jackson: I don't know.
Jacobs: We thought we can sneak on the horses around the
Southern, Kentucky, and Ohio Clubs, but I don't want
to do anything unless he's around.
Jackson: When he comes in - can he call you?
Jacobs: Yeah, he can call me."

7:20 P.M., March 23, 1937 Incoming on No. 446 B.A.B.

Man: Dutch Akers there?
Akers: Hello.
Man: Hello old man, did you bet on that 'squeezor'?
Akers: Yeah - OK.
Man: Have you got 'Bank' Mills in jail?
Akers: Who?
Man: 'Bank' Mills.
Akers: Oh I know who you mean.
Man: How much will it take to get him out?
Akers: 'Half way'.
Man: What?
Akers: 'Half way'.
Man: All right, I'll be down to see you.

NOTE: Party calling did not identify himself. Man in jail is probably held as 'Bank' Mills, as per previous calls.

The following conversation between Mayor McLaughlin and Harry Hopkins, W.P.A. Administrator, is of interest:

10:38 A.M., March 24, 1937 Incoming on No. 648 B.M.C.

Hazel: Mayor's office.
Harry Hopkins: This is Harry Hopkins speaking, could I talk to the Mayor?
Hazel: Yes, Mr. Hopkins, just a moment.
Loo: Hello.
Hopkins: Hello Mayor, this is Harry Hopkins, we are going out tonight, but not until after the seventh race. (laughs). Well I hate to see you leave. If you have any tickets to cash in and don't have time to cash them, I'll cash them for you for 10%. (laughs). I am sorry I have to leave. I would like to have seen more of you while I was here. There are many interesting things to be seen in your town.

Memo for Mr. Tamm

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4/16/37

Lee: Yes, it is a nice and interesting place. I would like to have seen more of you too.
Hopkins: I find politics the same here as in other places.
Lee: Yeah, just like Washington.
Hopkins: If the Federal Government would put some of your medical friends on the payroll, it might help the situation.
Lee: Yeah, this marriage will help one of your men, he's been flat broke around this town here for ten years. And this Wootten is one of the damndest fourflushers in town. I think they put him on the payroll last year then sent a man to count the number of post holes he dug per day. (laughs).
Hopkins: Well, if you come into Washington be sure and come in and see me.
Mayor: Thanks, and if any of your friends come down, tell 'em to drop in and see me."

The following conversation between Jacobs and Lee Brown, of Houston, Texas, indicates the corrupt situation in Texas with reference to gambling:

8:56 P.M., March 27, 1937 Outgoing on No. 2115 B.M.S.

Jacobs: Called Long Distance operator. 2115 calling Mr. Lee Brown, Wolfe's Hotel, Houston, Texas.
Operator: Hold the line please. (pause) Mr. Jacobs could I call you back, the lines are all busy to Houston right now.
Jacobs: All right.

8:02 P.M., March 27, 1937 Incoming on No. 2115 B.M.S.

(Operator completed the long distance to Lee Brown, indicated above.)

Jacobs: Hello, Lee, how you feeling?
Brown: All right Mr. Jacobs, are you still in bed?
Jacobs: Yeah, still got the gout.
Brown: Gee, that's too bad, I saw in the paper where everything folded up over there.
Jacobs: Yep things look bad. You know they robbed us a few minutes before or after I talked to you last time. They stuck up the Southern.

Memo for Mr. Tamm

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4/16/37

Jacobs: Looks like we're through for a long time over here.
Brown: The Governor went on a rampage.
Jacobs: That's sure too bad. There's a lot of money here.
Brown: The town boasts they will have a million population
Jacobs: here in 10 years. Is there anything over here I can
do for you?
Brown: So, I was just laying here in bed thinking about you
Jacobs: and decided to call. Million population, eh, ten
years, hump.
Brown: Yeah and by the way one of these Texas Rangers by the
name of Glover came up to me the other day and says
Jacobs: there's a county down here that he knows and he can fix
Brown: the District Attorney and the Sheriff. He says it's
Jacobs: a good county for slot machines. He was going out to
Brown: the track then so he didn't have time to give me any
Jacobs: more details. He's a reliable fellow though. He
Brown: and his wife live out at the track, I knew them before
Jacobs: they moved here. The fact that he's a ranger he
Brown: should know what he's talking about.
Jacobs: Yeah a ranger should know.
Brown: I told him I thought we could handle it.
Jacobs: Yeah we can handle it.
Brown: I'll talk to him again tomorrow and write you what he
Jacobs: says.
Brown: All right you talk to him and write me.
Jacobs: Thanks for calling, Mr. Jake, and do it again sometime.
Jacobs: O.K.

9:22 P.M., March 27, 1937 Incoming on No. 2115 B.M.S.

Lee Brown calling Jacobs from Houston, Texas.

Brown: Lee Brown, Mr. Jacobs, after I talked to you I ran
Jacobs: into this ranger in the lobby. He said everything
Brown: could be fixed like I told you. He and I will
Jacobs: drive up to see you Sunday morning. I want to see
Brown: you anyhow about another proposition Otis might
Jacobs: be interested in. A fellow from New York told me
Brown: about it.
Jacobs: That's probably the same man that came by here.
Brown: No, I don't think so. He's here for the races, his
Jacobs: name is Herman Johnson, he says there's a big hotel
Brown: opening up in May in the Catskill Mountains and it
Jacobs: ought to be a plenty good proposition. I'll see
Brown: you Sunday morning.
Jacobs: All right.

The horse racing season at the Oaklawn Race Track, Hot Springs,
terminated on April 3, 1937.

Respectfully,

L. M. Chipman.

DC:EM
7-576

April 22, 1937.

MEMORANDUM FOR MR. Tamm

Re: BREKID.

Outlined herein are pertinent telephone conversations obtained from telephone taps at Hot Springs, Arkansas, as related in the report of Special Agent John L. Madala, Little Rock, Arkansas, April 13, 1937.

Certain conversations which it was believed necessary to outline herein indicate that Jacobs was aiding Mayor McLaughlin in rounding up men apparently to be used in Mayor McLaughlin's campaign for reelection which was to be held at Hot Springs on April 6, 1937. The following conversation is in connection with the above:

6:20 P. M., March 29, 1937. Incoming on No. 8113. D. F. S.

Mayor: I used those fellows as far as I could go today, without exagrating, you know —
Jacobs: Yeah, I know.
Mayor: Got a week to go, you know.
Jacobs: How many do you have?
Mayor: Altogether about 65, but all aren't in yet.
I didn't want to overdo this with the same faces. There's such a thing as overdoing things.
Jacobs: Yeah.
Mayor: I want to get 1700 colors (phonetic) in the book. We opened up headquarters today, two places, one on Whittington and one on the South side. We want to do things right. It'll take about a "U" to do the job.

Lmb X

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& FEDERAL BUREAU OF INVESTIGATION	
INDEXED	APR 22 1937 A. M.
U. S. DEPARTMENT OF JUSTICE	

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THIS SERIAL ONLY
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Memo for Mr. Tamm
Re: BREXID

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4/22/37.

2:51 P. M., April 1, 1937. Outgoing on No. 643

H. A. S.

McLaughlin: Called 1175 (County Clerk)
Ray: Hello.
McLaughlin: Did you ever get those things from those
orchestra boys in New Orleans?
Ray: No, not yet.
McLaughlin: Well, Otis (McCraw) was supposed to have
gotten them to mail them in. There's a
good bunch of them. Maybe they'll come in
this afternoon's mail. Have you gotten it
yet?
Ray: No, it hasn't come yet.
McLaughlin: Well, if they don't come in this afternoon's
mail I guess we'll have to use them "the other
way". Call me when the mail comes in if they're
in there.
Ray: All right.

(Probably refers to McLaughlin's "voting" the
entire orchestra of Joe Capraro, New Orleans,
La., which played at Belvedere Club prior to
closing of gambling there.)

3:00 P. M., April 1, 1937. Outgoing on No. 643

H. A. S.

McLaughlin: Called 2435 (Belvedere Club) Asked for Otha
Phillips.
Phillips: Hello.
McLaughlin: Have you heard from that orchestra - Joe
Capraro - about those registrations?
Phillips: No. He was supposed to have gotten them in,
though. * * * * *
McLaughlin: How many of them were there?
Phillips: About 30.
McLaughlin: All right. Call him up.

Memo for Mr. Tamm
Re: BREKID

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4/22/37.

11:58 A. M., April 2, 1937. Incoming on No. 648 H. A. S.

Gentry:

At Cafeteria - advised Leo that he has about 15 votes of employees at his cafeteria. They hadn't registered. Requested advice how they can vote.

McLaughlin:

Come over here Monday and I'll tell you.

The following conversations give some idea of the setup of the slot machine racket, which apparently Jacobs is going into:

1:45 P. M., March 29, 1937. Incoming on No. 2115 B. M. B.

Jacobs:

Hello. Dutch in Detroit Jake, in regard to those slot machines, we don't handle them ourselves but we can get them for you. A concern by the name of Kaylie carries a good line of 5 cent, 10 cent and 25 cent machines.

Dutch:

How are they priced? There are two prices: \$63.50 plus tax - total \$70.00; \$65.00 plus tax - total \$71.50. We don't make any profit on these and I don't know a whole lot about slot machines but I'll have one of the men come by to see you. How many do you need? Well there's one of them Texas Ranger fellers in here to see me, he said they'd need about a hundred. That's a lot of machines. If it's good country they pay good. The fellows up around here that have got 50 of those out take eight to ten thousand a month.

Jacobs:

Well this country is in lower Texas, Hillsboro I think. Well you know Jimmy Robinson had 200 of these at El Paso and he didn't do so well with them and that is better country than further down. Don't make the mistake of putting out too many machines.

Dutch:

Whatever they ask for cut it in half.

Memo for Mr. Tamm
Re: BREAKID

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4/22/37.

1:45 P. M., March 29, 1937 Continued -

Jacobs:

Well, this Ranger wants 200 machines, but I figured on about 100. He says he can work in some dice along with the machines. I figure I'll put 75 in Aurora and 25 in the county. I'll drop you a letter tonight Jake.

All right.

10:05 P. M., April 1, 1937. Incoming on No. 2115 J. L. M.

Jacobs:

Hello. How are you, Jake - this is Lee Brown.

Jacobs:

Hello Lee. I made my trip up to that county and contacted those people. They're in for two years, but they'll be a cinch for four years. I'm making direct contacts with them, not through any third party. Jake, that county is the best in the State (Texas). It can easily take 200 machines. There are six pretty good sized towns, and a lot of small towns. These small towns are right on the highway between Houston and Dallas, and they have places that remain open all night because of the heavy truck traffic through there. It sure looks good to me.

Lee Brown:

It does. I'm contacting these fellows myself, and they're anxious to go. I'm going to the County Seat tomorrow, and I was just wondering what a man can offer them - what is customary?

Jacobs:

The usual percentage is 40 - 50.

Lee Brown:

No, I mean those fellows in the county.

Jacobs:

Oh! Anywhere from 20% to 25% after that (40%)

comes off.

I'm going direct to them. They are the right kind of people and anxious to go. They run the county and are a cinch for 4 years. They guaranteed

Lee Brown:

Memo for Mr. Tamm
Re: ERICKSON

- 8 -

4/22/37.

10:05 P. M., April 1, 1937 Continued -

Lee Brown Cont.-that they will take care of the Mayors in the county and also the rangers. They want to make money. Five or six people tried to get it before, but they turned them down. Jim was a lot of help to me.

Tell them you'll give them 20% of the net, but give them 25% if best.

We're not to that point yet - we haven't discussed their share. I'm going back tomorrow to settle it off. I told them to give me time for an answer. I wanted to talk to you first. I don't know yet whether they want a percentage or a flat rate per month. Best to give them a percentage - you can't lose that way. What kind of trade is there mostly?

Lee Brown: I told them I'd give them my answer after I came to Hot Springs and talked with you. Even if you go as high as 25%, it would be all right - but 20% is customary. I don't think they expect that much - they don't know what is customary, and I believe they'll accept anything I offer within reason. It's a cinch for 4 years. Mansfield tried to get it, but they turned him down. I got it mainly from recommendations from you and through the people you know.

Jacobs: How's your other business?
Lee Brown: My business in Houston is not so good - my bank handled \$600 today, but I did not make any money. Business is not so good down here either.
Jacobs: I drove 400 miles yesterday and looked over the whole county. It sure looks like a good thing.
Lee Brown: I asked Bill for time to come to Hot Springs and talk with you about it. He said all right.
Jacobs: Well, let me know what you'll do.

Memo for Mr. Tamm
Re: BREKID

- 6 -

4/22/37.

The following conversation indicates that possibly Governor Bailey may be fighting gambling both at Hot Springs and Little Rock, although prior information developed as is set forth in memoranda submitted to you indicated that undoubtedly the Governor was at least in favor of horse racing at Hot Springs, which is in violation of the Arkansas State Law:

1:36 P. M., March 29, 1937. Incoming on No. 2115 B. M. B.

Louie: What did you decide about that upstairs? They're getting' wires up in the White Front.
Jacobs: Well you know how things are, they're putting those fellows in at Little Rock.
Louie: I don't want to do anything wrong, you're the boss.
Jacobs: Well \$2400.00 is a lot of money to put out for rent when we don't know when we can open. Does he still want 1/2 the rent?
Louie: Yes, \$1200.00.
Jacobs: Try to get him down to \$900.00. Things are so uncertain, why over in Little Rock that fellow, I mean Bailey, is putting some of the fellows in jail who helped elect him. Beavers, Hardin and the Levy boys put up \$15,000.00 for his campaign and now he's gonna send that Levy boy to jail. You know I was learning those boys the game and they said Bailey just about demanded this campaign money and I helped them pay it. So you see how it is. How's your liquor business?
Louie: Still about 200. I'll talk to him about getting it for 900 and let you know.
Jacobs: All right. Do that.

The following call is evidence of the fact that the Southern and Kentucky Clubs, both apparently owned by Jacobs, are booking horses in violation of the laws of Arkansas:

Memo for Mr. Tamm
Re: BREKID

- 7 -

4/22/37.

6:30 P. M., March 29, 1937. Incoming on No. 2115 D. P. S.

Roscoe:
Pretty good day - \$340 won; \$4100.00 markers;
\$495.00 cash. Frank and Van gave us bets
today.
Get anything from up the way?
No. Didn't get anything from Little Rock.
Didn't you give Frank anything?
I don't think so, maybe a few small ones.
Come by here in the morning.
What time?
He (Mayor McLaughlin) wants to see you about
11 o'clock.
All right.

The following excerpts of conversation between Louis Tarlowski, Attorney, at Little Rock and Jacobs on March 30, 1937, concerning various State and Federal officials may be of some interest. Earl Wiseman referred to therein is a former State official - as I remember, the State Treasurer of Arkansas under the last administration. The Mr. Donham referred to is the Prosecuting Attorney of the judicial district covering Little Rock. He was Governor Bailey's chief assistant when Governor Bailey had this position prior to being elected to the office of Attorney General four years ago.

4:03 P. M., March 30, 1937. Outgoing on No. 2115 D. P. S.
Jacobs called Louis Tarlowski, Attorney at Law, Rector Building, -
Telephone 4-7251, Little Rock.

Jacobs:
Hello Louis. Want to beg a little information
off you. What are they trying to do to our
friend Levy?
I don't know of anything.
Read in the papers about his case coming up.
That's an old case. He was arrested some time
ago out here on the road at the Aurora Club,
with George Helmbeck. They got him for oper-
ating a gaming table.
I thought they had just got him. I tried to
get him on the phone, but it is disconnected.
They cut off all those phones.

* * * * *

Memo for Mr. Tamm
Re: BREKID

- 8 -

4/22/37.

4:02 P. M., March 30, 1937 Continued

Tarlowski: Never thought of that. It's funny but I just got a call from New York from Earl Wiseman and he was asking about you.

Jacobs: That's fine.

Tarlowski: What are they going to do, close you up?

Jacobs: It looks like it.

Tarlowski: It looks to me like he (Governor Bailey) wants somebody to come over and beg him on their knees.

Jacobs: Maybe you're right.

Tarlowski: In the next legislature, I believe he is going to repeal the liquor and racing laws.

Jacobs: I wouldn't be surprised.

Tarlowski: In the next election, Cook will run against him. He'll give him (Bailey) a good race. That would be better. I remember when we thought Putrell (Ex-Governor) was bad, but he turned out to be the best man we ever had.

Jacobs: * * * * *

Tarlowski: How about the Judge? (U. S. District Judge) Sam Moses looks like the man. He wants it too. We don't want that fellow from Forrest City.

Jacobs: How about Trimbell? He's a Robinson man and used to practice law with Robinson.

Tarlowski: Maybe, however Moses looks like the man. I talked to him the other day and asked him about whether he wanted it and I was surprised when he didn't deny it.

Jacobs: The story is going around here that Hamilton Moses is going to get it.

Tarlowski: I wouldn't be surprised.

Jacobs: * * * * *

Tarlowski: No. Donham is a good friend of Helmbeck and he was forced to it. He went out and got Levy and Levy raised so much noise, Donham had to get Helmbeck too.

Memo for Mr. Town
Re: BREKID

- 3 -
4/22/37.

4:03 P. M., March 30, 1937 Continued

Jacobs: Yeah, Levy is a good boy. We kind of showed him the ropes on the horses. He's made money too.

* * * * *

Respectfully,

L. N. Chipman.

Federal Bureau of Investigation

United States Department of Justice
Post Office Box 1469,
Little Rock, Arkansas,
April 27, 1937.

Director,
Federal Bureau of Investigation,
Washington, D. C.

Re: BREKID.

Dear Sir:

In order that the Bureau's files may be complete,
I am transmitting herewith copies of all pertinent articles
appearing in the Little Rock and Hot Springs, Arkansas,
newspapers bearing on this investigation for the period
of March 15 to April 15, 1937.

Very truly yours,

Chapmon Fletcher
CHAPMON FLETCHER,
Special Agent in Charge.

DPS cpw

7-2

cc - Cincinnati

Enclosures (20)

RECORDED
&
INDEXED

7-576-3-109

SEARCHED	INDEXED
SERIALIZED	FILED
APR 29 1937 P.M.	
FBI - LITTLE ROCK	
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FBI - LITTLE ROCK	

THE ARKANSAS GAZETTE, LITTLE ROCK, THURSDAY, APRIL 15, 1937.

Court Orders Acquittal Of Ex-Officer

special to the Gazette.

Hot Springs, April 14.—Charles Sellers, former Hot Springs police officer, was acquitted on an instructed verdict in Circuit Court here today where he was on trial accused of participating in the burglary of the Blue Ribbon handbook here July 18, 1935.

Judge Earl Witt directed the verdict on motion of Sellers' lawyer after two convicts, the state's principal witnesses, declared they had been "tortured" after their arrest here in connection with the robbery and forced to confess they robbed the handbook. In their confession they implicated the officer. The convicts were Robert DeMarr, 34, and John Claude ("Shorty") Price, 44.

DeMarr, the first to testify, said that he does not know Sellers, and that if he made a statement to officers or to the Grand Jury implicating Sellers in the burglarizing of the Blue Ribbon safe, the statements were false. He then denied that he was guilty of the crime. Asked why he had pleaded guilty, DeMarr replied: "I was tortured." He denied also that Price was implicated in the Blue Ribbon robbery.

Hot Springs Police Accused.
DeMarr said he was ~~dealing~~ in poker game that was run in the Broadway bar, an establishment formerly conducted by Alfred ("Pug") Dickson, also serving a sentence from Saline county for theft of an automobile. DeMarr said that two vertebrae in his back had been broken when he was beaten in the city jail.

Judge Witt asked DeMarr:
"Why did you not tell me of that mistreatment when you came before me?"

DeMarr looked at the judge and replied: "I don't remember being up here."

Tells of Alleged Beating.

Price testified that he did not know Sellers, that he had never seen him and that Sellers never discussed the Blue Ribbon safe robbery with him. Price also repudiated the confession he had made, and said, like DeMarr, that he had been "tortured." He named former Day Captain Arch Cooper and Lieut. Cecil Brock as the officers who had beaten him, and said that Chief of Detectives Herbert ("Dutch") Akers had threatened to whip him unless he signed the confession. Price said Akers told him if he didn't confess to the robbery that he "would have me knocked off down on the farm."

Both DeMarr and Price admitted that Sellers' lawyer had visited them at the Tucker prison farm, but said that the Blue Ribbon case was not the subject of their conference. They said that they discussed the John Dickson case. Dickson is alleged to have suffered injuries while a prisoner in the city jail that caused his death last Christmas Eve. Following a Grand Jury investigation seven police officers were indicted. Their trial is scheduled for next month. It is believed that both DeMarr and Price again will be brought from the state prison farm to testify in that case.

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7-576-3-109

HOT SPRINGS, (ARK.) NEW ERA

MONDAY AFTERNOON, MARCH 15, 1937.

SUPREME COURT UPHOLDS ELECTION OF ANDERSON

WITT'S ACTION
IN DISMISSING
SUIT AFFIRMED

Clyde Wilson Loses
Sheriff Contest on
Technicality

DEFECT CITED

Plaintiff Failed To
Include Third
Candidate

Breckin

Little Rock, Mar. 15.—
(AP)—The Arkansas supreme court upheld today the right of Marion Anderson to serve as Garland county sheriff, holding that the Garland circuit court acted correctly in dismissing an election suit in which Clyde Wilson, one of Anderson's opponents, contested his nomination.

Failure of Wilson to name in his complaint the third candidate in the race was the cause of the dismissal. Anderson received 4,878 votes to 1,644 for Wilson in last August's Democratic primary. Wilson's suit said that he would be the nominee "if returns could be purged of illegal votes."

After Wilson filed his suit last September, Anderson successfully moved for dismissal on the grounds that Wilson was not a qualified elector and that his complaint was faulty because it did not make the third candidate, Monroe Young, party to the suit.

The supreme court did not rule on the question of Wilson being a qualified elector, but said:

"We are forced to the conclusion that the complaint was fatally defective and the court probably dismissed it for this reason alone."

"It becomes unnecessary to determine whether appellant (Wilson) was a qualified elector for whether he was or not his complaint failed to state a cause of action."

Chief Justice Griffin Smith nominated at the August primary for a first term, did not take part in the court's deliberation on the election suit, having disqualified himself. Garland county gave an overwhelming majority to Smith's opponent, former Chief Justice C. E. Johnson.

Commenting on Wilson's charges of machine politics in Garland county, the court said:

"It is alleged that a political machine is in control of the elections in said county and elects its machine candidates to all the county offices by a fraudulent and illegal means, all of which if true portrays a very bad state of political affairs in Garland county."

Anderson's attorneys in the contest were A. T. Davis, Gibson Witt, Jr., James R. Campbell and Mayor

McLaughlin. Wilson was represented by Attorneys Scott Wood and A. J. Murphy.

The court reversed a \$35,000 judgment given E. L. Martin against McEachin Construction company in Boone circuit court, sending the case back to the lower court for retrial. Martin's suit was for injuries allegedly suffered while employed on a sewer project at Harrison.

The high court's opinion in the case upheld the right of chancellors to exchange benches with circuit judges. The construction company contended each such exchanges were not authorized by law. Chancellor A. S. Irby of the eighth district exchanged with former Circuit Judge Jack Holt for trial of Martin's suit.

The court affirmed a \$12,500 judgment given Dave Partain, John E. Powers and Gertrude B. Combs in Crawford circuit court for damages to their property caused by construction of a railroad overpass at Van Buren.

More than a year ago Partain obtained an injunction to prevent the overpass from being constructed. The highway commission then filed suit at Van Buren to have the amount of damages ascertained. The commission deposited \$15,000 in the court registry to pay damages.

An attorney for the commission agreed in open court to the \$12,500 settlement but later another attorney for the commission sought to block the judgment by filing a demurrer. Crawford circuit court overruled the demurrer and entered judgment.

The supreme court reversed a Garland circuit judgment awarding J. A. Clements \$1,000 for damages to his automobile in a collision with a truck owned by Liberty Cash Grocers, Inc., of Hot Springs. Admission of improper testimony was the cause for the reversal.

The tribunal affirmed a \$750 judgment given A. D. Spark in a suit against F. S. Kelley and Ida Kelley in Pope circuit court. Spark claimed an agent of the Kelleys sold him timber which did not belong to them. The supreme court said the agent, J. R. Venable, was made a party defendant to the suit but that "officers were unable to serve him and his whereabouts I unknown."

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HANDBOOKS CLOSED HERE BY ORDER OF STATE OFFICIALS

Bookmakers of Hot Springs today were faced with an ultimatum from Governor Carl E. Bailey that resumption of handbook operations in Garland county would not be tolerated. The message from the chief executive was delivered to officials here by Superintendent of State Rangers Gray Albright.

Four bookmakers Saturday closed down tightly after receiving a warning that their places would be raided if they did not immediately cease operations. They had resumed business soon after the legislature adjourned Thursday.

Superintendent Albright was quoted in Little Rock as saying that his week-end trip to Hot Springs to "put a stop to bookmaking," was the request of Governor Bailey.

"We received reports that the bookies were opening up again, and Governor Bailey ordered me to go to Hot Springs to investigate and to stop them if I found out our information was correct," Mr. Albright said.

The ranger superintendent said he had talked with Garland county enforcement officers and learned that four bookmakers had resumed operations following adjournment of the legislature Thursday.

"I told the officers that the places would have to be closed, and deputy sheriffs were sent to close the bookmakers," Mr. Albright said. "The sheriff told me the bookies closed immediately."

Following the warning, the four handbooks which had resumed operations, the Southern Club, the Ohio Club and the Citizens and Blue Ribbon Sporting Clubs, "folded" in the very midst of their afternoon's activities. Within a few minutes the establishments had been cleared of their patrons.

No officers as far as could be learned had appeared at the different establishments, although the bookmakers had apparently taken the source of their information seriously enough to halt without any ado. Small groups of operators and employes were huddled in some of the places, but they were non-committal.

They would comment no further than to say "word came and was passed down the line."

Tuesday Morning, March 16, 1937.

THE SENTINEL-RECORD, HOT SPRINGS NATIONAL PARK, ARKANSAS.

WILSON LOSES IN FIGHT TO OUST SHERIFF FROM OFFICE

SUPREME COURT UP-
HOLDS ELECTION OF
MARION ANDERSON.

PETITION HELD FAULTY

Garland Court's Dismissal
of Contest Suit Upheld on
Ground Complaint Did
Not Mention Third Can-
didate.

Little Rock, March 15—(P)—Clyde Wilson of Hot Springs lost in the supreme court today his legal fight to oust Marion Anderson from the Garland county sheriff's office. Wilson sought to be declared the nominee in last August's Democratic primary.

The tribunal affirmed the action of the Garland circuit court in dismissing Wilson's contest suit, asserting the complaint was faulty because it made no mention of the number of votes received by the third candidate, Monroe Young.

Wilson said that 4,878 votes were certified for Anderson and 1,644 for himself but that he would be the winner of the nomination "if returning could be purged of illegal votes."

Taking cognizance of Wilson's charges of primary irregularities, the court said:

"It is alleged that a political machine is in control of the elections in said county and elects its machine candidates to all the county offices by fraudulent and illegal means, all of which, if true, portrays a very bad state of political affairs in Garland county."

Chief Justice Griffin Smith did not participate in the opinion, having disqualified himself. He was elected for a first term last year, Garland county giving an overwhelming majority to his opponent in the primary, Former Chief Justice C. E. Johnson.

The court held constitutionality of act 160 of 1933 authorizing circuit judges and chancellors to exchange benches in a \$35,000 damage suit judgement obtained against the McEachin Construction company by E. L. Martin in Boone circuit court. It reversed the case, however, because improper testimony was admitted.

The construction company contended that exchanging of benches by chancellors and circuit judges was invalid. Chancellor A. S. Irby of Walnut Ridge heard the damage suit, substituting for Former Circuit Judge Jack Holt.

The action of the Crawford circuit court in awarding a judgement against the state highway commission for \$12,500 in favor of Dave Partain and others was sustained. The judgement was for property damage incurred in the construction of an overpass over railway tracks at Van Buren.

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Thursday Morning, March 18, 1937.

THE SENTINEL-RECORD, HOT SPRINGS NATIONAL PARK, ARKANSAS.

CO-OPERATION OF SPA PLEDGED TO PARK OFFICIALS

THOMAS C. VINT, OLIVE D. TAYLOR HONORED AT BANQUET

Co-operation was pledged last night to the National Park Service toward plans for the future development of the local federal area by the chief executive of the city of Hot Springs, Mayor Leo P. McLaughlin and S. A. Kemp, Chamber of Commerce president, at a dinner given by the chamber at the Arlington hotel honoring visiting National Park Service officials.

The guests of honor were Thomas C. Vint, chief architect of the bureau of plans and designs and Olive D. Taylor, deputy chief engineer, both of Washington, D. C. also an engineer; H. H. Cornell, regional landscape architect and L. D. Diedrich, state landscape architect for Arkansas and acting inspector.

Both Mayor McLaughlin and Mr. Kemp voiced pride in the famed health-giving waters, which they classed as the city's "greatest asset" and praised the work of those in charge of the national park.

This praise was reiterated by Martin A. Elsele, of the Chamber's federal relation's committee and a past superintendent of the park. Both he and Mr. Kemp paid the highest tribute to Donald S. Libbey the present superintendent of Hot Springs National Park for his efforts in advancing this area.

Mr. Kemp, who presided, introduced the mayor and Mr. Libbey. The latter introduced the Nation-

al Park Service representatives. However, before doing so, he spoke of the co-operation that had been accorded him in various park projects by Mayor McLaughlin, where city assistance was necessary and he also declared Douglas Hotchkiss, chamber manager, had met him 100 per cent in all requests in the interest of constructive park projects.

After giving a resume of the National Park Service and its set-up of various bureaus, which function under the Department of Interior, Mr. Libbey declared he was not unmindful of what had been done in the past to develop the natural beauty of Hot Springs National Park.

"What has already been done will serve as a challenge to the future," he said. He made brief reference to a six year master plan of development for this area and praised the work being done to develop state parks in Arkansas.

The visiting federal executives expressed appreciation for having an opportunity to meet some of the Hot Springs citizens and to have a share in making Hot Springs National park a greater beauty spot.

George Bolton, assistant superintendent of the local park, who has served under eight superintendents, was also introduced.

The color scheme in keeping with St. Patrick's day was carried out in the menu, place cards and floral center. Besides those already mentioned those present were Bruce Wallace, the Chamber's vice-president; Douglas Hotchkiss, manager; John G. Higgins, treasurer; Judge C. T. Cotham, chairman of the federal relations committee; Jack Manier, Charlie Goslee, Lewis Brenner, Miles Kinkaid and Billy Ramsour, directors.

49 Miscellaneous For Sale

ON account of big loss, selling my \$1950 diamond ring, about 14 karats, platinum diamond mounting, sacrifice \$875. Box 829, this paper.

\$850 GORGEOUS diamond, over 14 karat diamond-platinum mounting, only \$265. Box 801, this paper.

CROCHETED bed spreads, table cloths, patch quilts, art work 108 Pecan.

LADIES' diamond broach, 17 beautiful stones. Cost \$365. Take half price, Box 879, this paper.

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HOT SPRINGS, (ARK.) NEW ERA

SATURDAY AFTERNOON, MARCH 20, 1937.

CITIZENS OF SPA
VOTING TODAY IN
SCHOOL ELECTION

Citizens of Hot Springs went to the polls today to elect two directors to the Hot Springs Board of Education. Polls opened at 2 o'clock and were to close at 6 this afternoon.

Three candidates, Dr. Howell Brewer, W. P. Demby and Dewell Jackson, have qualified for election to membership on the board, but only two may be named. The two receiving the highest votes will be declared elected.

Demby is the present president of the board, while Jackson is secretary. Dr. Brewer is a former commander of the American Legion and former president of the Hot Springs Civilian club.

The 18-mill school tax, passage of which has been especially urged by school officials in view of building projects planned, is also up for decision.

Polling places are as follows: First ward, Revenue office at courthouse; Second ward, 410 Malvern avenue, McLaughlin building; Third ward, City clerk's office; Fourth ward, 503 Park avenue; Fifth ward, Whittington fire station; Sixth ward, Sturdivant-Angell Drug Co.; Seventh ward, Foster Drug Co.; Eighth ward, Disheroot's grocery.

GRAND AND PETIT
JURIES FOR MARCH
TERM TO BE NAMED

Jury commissioners named by Circuit Judge Earl Witt to select grand and petit jurors for the March term of circuit court were in session today and were expected to announce the new juries tonight.

Commissioners named by Judge Witt were S. E. Dillon, Ted Slmonds and V. G. Verneaux.

The new juries will meet at the circuit courtroom at the courthouse Monday morning at 9 o'clock to be sworn in. Grand jurors will organize at this time also.

The September term grand jury met this morning to make its final report and adjourned sine die.

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SATURDAY AFTERNOON, MARCH 20, 1937.

POLICE CHIEF IS COMMENDED BY GRAND JURY

Express Confidence In Witt In Final Report

Expressing the belief that conditions at the Hot Springs city jail have "materially improved" under the supervision of Chief of Police Weldon Rasberry, appointed following the indictment of seven city policemen here in connection with the city jail death of John Dickson, the Garland county grand jury for the September term met this morning at the courthouse, filed its final report with Circuit Judge Earl Witt and adjourned sine die.

In its report the grand jury expressed "every confidence in the integrity and high character" of Chief Rasberry and described con-

ditions under his supervision as "very satisfactory."

The grand jury also went on record as having "full and complete" confidence in the "integrity and honor" of Circuit Judge Witt, recently under fire by an investigating committee of the state House of Representatives which sought his impeachment.

"We believe he (Judge Witt) has at all times been fair and honorable on the bench and that his personal life is above reproach," the jury's report read.

The jury, through its foreman, Charles Goslee, reported being in session seven days, examining 78 witnesses and returning indictments against 16 persons.

The complete report follows:

To Honorable Earl Witt, circuit judge, 18th judicial circuit:

"We, the members of your grand jury for the September, 1936 term, beg leave to make our final report as follows:

"We have examined 78 witnesses, and have returned indictments against 16 persons.

"We have been in session seven days. A committee from the grand jury has examined the county jail and report the same in satisfactory condition.

"During our investigations we diligently inquired into the case of one John Dickson whose death while a prisoner under indictment was alleged to have been caused by mistreatment at the hands of city police officers. We filed a separate report following indictment of seven persons whom we believe from the evidence before us should face trial for second degree murder in connection with Dickson's death.

We believe from our investigation of the Dickson death that our action in that case has resulted in very materially improved conditions at the city jail. The members of the grand jury have visited the city jail and find conditions there under the supervision of Weldon Rasberry, new chief of police, very satisfactory, and the members of your grand jury have every confidence in the integrity and high character of Mr. Rasberry.

"We desire to express our full and complete confidence in the integrity and honor of our circuit judge. We believe he has at all times been fair and honorable on the bench and that his personal life is above reproach. We wish to thank him for his courtesies during our grand jury work.

"We also desire to express our thanks and appreciation for the courtesies and services rendered by Deputy Prosecuting Attorney Curtis Ridgway who served with us faithfully and efficiently, representing Prosecuting Houston Emory for several months, and later Prosecuting Attorney Gibson Witt, Jr. Our sincere thanks are also extended to Mayor Leo McLaughlin, Sheriff Marin Anderson, Deputy Sheriff Roy Emery, Circuit Clerk John E. Jones, and other city and county officials for their helpful assistance during our grand jury service.

"Respectfully submitted, Chas. Goslee, foreman. J. C. Beam, clerk."

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HOT SPRINGS, (ARK.) NEW ERA

SATURDAY AFTERNOON, MARCH 20, 1937.

Suspect in \$8,100 Holdup At Southern Club Held By North Little Rock Police

Arrest of a suspect in the daring, day-light robbery of the popular Southern Grill and Club late yesterday afternoon in which five masked bandits obtained approximately \$8,100, was revealed this afternoon by Chief of Detectives Herbert Akers. Akers said a man answering the description of one of the robbers was picked up in North Little Rock today and was being returned here this afternoon for questioning.

Meanwhile, city and county officers and state rangers continued to run down new clues, but were close-mouthed as to their findings.

Entering the club, in the heart of the downtown business section, shortly before 5 o'clock the quintet lined up some eight or 10 guests, relieved them of approximately \$6,500 in cash and valuable jewelry, and then forced Frank Stroud, an employe, to open a safe from which they took \$1,500. William S. Jacobs, proprietor of the grill and club, said the money taken from the safe belonged to the grill, the club being closed at the present.

Completing the looting of the club and its guests, the robbers split up, two running out the front door onto the street and the other three stepping out the back door onto the side of West Mountain.

An unidentified young man who saw the three taking the white handkerchiefs off their faces as they fled up the mountainside, notified police and instigated a chase.

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which led officers through Amity, 35 miles west of here, and almost to Mount Ida before they finally lost the trail.

Day Captain of Police Jerry Watkins, driver of one of the police squad cars which rushed to the scene, reported a near collision with the bandit car at the south entrance to the West Mountain drive. Patrolman Monroe Young, with Watkins at the time, said the three men in the car tallied with descriptions of the bandits. One man, alone in the back seat, was armed with a shotgun or rifle.

The two officers trailed the car out the Arkadelphia highway. Both said the fugitive car was traveling at a high rate of speed and the "trail could be followed by marks of tires skidding around corners."

Patrolman Young said the car was a new model (1936 Plymouth) and bore an Illinois license plate. He reported the three occupants were "foreign looking" and apparently were young men.

Deputy Constable Arthur Young again picked up the trail at Amity, west of here. He trailed the car almost 30 miles to Mount Ida.

"At times my car was traveling at 35 miles an hour," the deputy constable said. "The best I could do was to get within two or three hundred yards of them. The road is all twists and turns."

The same young, sandy-haired youth was still in the back seat. He was on his knees, looking through the back window, throughout the trip. I couldn't tell if he was armed."

A state ranger who accompanied Deputy Constable Young told a similar story. They positively identified it as the same car which the city police met at the mountain entrance.

The officers theorized that the fugitive car drove to Arkadelphia and then took a cut-off road to Amity. After losing the deputy constable's car it was believed they headed for Mena and from there to Oklahoma. Officers of that town, Oklahoma border towns and Fort Smith were notified.

Close descriptions of the quintet were not available. Victims described them as young looking.

Stroud, who was the only employee in the club, said he believed all five entered through the back door.

"I just looked up and they were already inside."

"They went through the visitors' pockets and took their jewelry also. Then they turned to me and told me to open the safe. I complied."

"When they asked me for my money I gave them \$12, and said it was all I had. They gave it back to me then," Stroud said.

Others in the club were forced to turn their backs and saw little of what transpired.

The visitors robbed and the amounts taken were: Thomas Abbdo, \$1,500; Spike Kelly, \$3,000; Brass McDonald, \$700; Sam Nathan, \$500; and a man known as "Murphy" Murray, \$900. All were said to be from Chicago.

Valuable jewelry was also taken from the visitors. This included several large diamonds in stickpins and rings.

One of the victims was quoted as saying he "would gladly give \$200 for the return of his ring; no questions asked."

Police believed the robbers were well acquainted with the surroundings. They based this on the fact that to close connections the visitors were known to carry large sums of money.

A recent edition of the Collier's Eye, sports publication, carried an article in which it described McDonald and Abbdo as heavy bettors at the Oaklawn race track.

Officers said the robber's idea of escaping through both the front and back door probably effected their complete getaway. Because of the peculiar terrain, at least three police cars were needed to surround the area.

State rangers and city and county officers at the race track were called in and immediately formed a cordon around West Mountain and city proper.

City officers last night centered their search on the whereabouts of the two bandits who escaped out the front door.

A taxi driver reported that three men entered his cab in front of the Southern Club about the time of the holdup. They directed him to a hotel.

When his cab stopped for the traffic light at Central avenue and Court street, the driver reported, police cars, with sirens blowing, passed them, speeding to the robbery scene.

"What is that?" the driver said one of the men asked.

The cab driver replied that it was the police.

"Must have been a holdup; I've got to get out of here," the driver quoted the man as saying.

He said the man alighted and he took the other two to the hotel. Police immediately began a search for the two.

The loot in yesterday's robbery was the heaviest of any robbery here since that of the Blue Ribbon Club in December, 1935, when \$1,900 was taken. Alfred (Pug) Dickson, now serving a term in the state penitentiary, and two others were indicted in connection with the crime. Dickson's two companions entered guilty pleas, but Dickson has not been tried locally. He was sentenced to the penitentiary by a Saline county jury on another charge.

Two armed youths late Thursday night entered the Majestic Liquor Store at the Whittington Junction and forced Miss Lucinda Tillery, clerk, to lie down on the floor, scooped \$16 from the cash register and escaped. Police saw no connection with the Southern Club robbery, however, expressing the belief that the robbers of the liquor store were amateurs.

Man is Detained.
Little Rock, Mar. 20.—(P)—North Little Rock police said this afternoon they were detaining a man whose identity was not disclosed, for examination in connection with the holdup of the Southern Club, Hot Springs, late yesterday. Police declined to make any further information public pending the examination.

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HOT SPRINGS

NEW ERA

HOT SPRINGS NATIONAL PARK, ARKANSAS, MONDAY AFTERNOON, MARCH 22, 1937.

WITT TELLS JURY TO MEET GAMBLING QUESTION SQUARELY

Circuit Judge Earl Witt today told a Garland grand jury that the controversial question of gambling in Hot Springs should be met "squarely and directly" and left, to a large extent, the discretion of dictating the policy along these lines to the inquisitorial body.

Addressing the panel which met for the purpose of organizing for the March term of court, Judge Witt said there "should be a sensible course to pursue, and of course, along the pathway that the law would direct in calling attention to the position of the city as one of the nation's leading pleasure resorts.

To the 16 business men of the panel, Judge Witt, recently exonerated in a legislative investigating committee inquiring into alleged lax law enforcement in Hot Springs, said the resort is not faced with any more propositions of law enforcement than any other resort town in the country and "it is my belief that the people will regulate it in an effective and honest manner."

"I believe the best way is to require a little stricter lookout on the part of the officers," said Judge Witt, adding that "they have told me that they would be more vigilant and diligent in observing for these violations."

The grand jury went into session for a few minutes following Judge Witt's charge and then adjourned subject to the call of the court. W. O. Creason was named foreman and Archer Smith, secretary. The members of the grand jury are: R. A. Chitwood, Jack Davis, Dave Burgauer, J. A. Bonner, Sr., Alfred Brooks, Archer Smith, Ed. Gross, K. W. Douglas, Robert A. Jones, George Collier, John A. Higgins, J. N. Coppock, W. O. Creason, Max Gold, John J. Ledgerwood, and J. B. Murphy, Sr.

Judge Witt emphatically stated in his charge that Hot Springs is not the only community where gambling exists and where gambling devices are operated, and that the solution to the problem lay in direct approach.

"I don't think you can ever meet any issue successfully by dodging it," said Witt. "It is not the honest thing to do," and adding that the question of gambling was nothing new in the history of Hot Springs.

"We are not the only people who have to undertake to deal with that issue," said Judge Witt.

"Now in this county and community, I think I know pretty well who the good people are and I know you are going to do what you think is best for your community."

"There are two ways that we can keep down public nuisances in Hot Springs, alone what is termed the gambling business," the jurist declared.

PLEASE TURN TO PAGE 8

B R E K I D

WITT CHARGES

(Continued From Page One)

clared.

"One is to indict everybody every time any sort of gambling device appears in this city."

"Another is to let the officers of this county go around and keep these places free from such gambling devices."

"I believe the best way is to require a little stricter lookout on the part of our officers and by doing that, we can avoid the necessity of a great many prosecutions here which brings about untold expense upon the people of this county."

"Efforts, properly directed, along the lines of my suggestion are more effective in suppressing the things you want to stop and is certainly less expensive."

Judge Witt expressed confidence in the ability of the law enforcement officers of the city and county to carry out their duties.

"Sometimes we all become a little careless in the performance of duties," said Judge Witt. "I want it to be understood, he added, "that I am not jumping on the officers, but there should be more vigilance on the part of local officers of this county and city."

"I want to believe and do believe they will make their promise good," said Judge Witt on their promise that they will be more vigilant and diligent in observing these violations.

"When conditions reach the point, if they do, the attention of the officers should be called to them."

Judge Witt took up most of the time in his charge to the newly-named grand jurors in dealing with the gambling and law enforcement question.

(Bureau Copy)

Judge Witt's statement to the grand jury follows:

"We have in Hot Springs one situation that may be peculiar and that is with respect to the gambling laws.

"Gambling includes the operation of about every sort of device of any kind whereby anybody might win or lose money, and any device that is set up and operated for the purpose of inducing people to take a chance on winning or losing money would be a gambling device. And however innocent the thing may appear to be, it is included in the general term of gambling devices. The law mentions a great many of such devices and also sets out and enumerates a great many games which are defined as gambling, such as poker and faro and roulette wheels, and the statute mentions a number of others. I don't have the statute before me now, and for that reason I can't enumerate all of them that is mentioned in the statute. But you are familiar with those.

"Now, I believe the only sane way to solve any question is by a direct approach to it. I don't think you can ever meet any issue successfully by dodging it. It is not the honest way to do a thing; it is not the effective way. The honest way and right way to face any issue is to walk right square up to it and face it.

"Now then, I don't know just how long the courts and juries of Garland county have had to contend with gambling, but for many, many years. Now, I know there was gambling in Hot Springs before I came here, and you know that as well as I do, and most of you have lived here longer than I have. It is no new question in Hot Springs and Hot Springs is not the only community where gambling exists. Hot Springs is not the only place where gambling devices are operated. So we are not the only people who have to undertake to deal with that issue. The men who have been reputed to be gamblers around Hot Springs were here before I came here.

"I didn't bring that class of people here with me and I grew up in a community where none of it existed. But I have been familiar with Hot Springs all of my life and most of you have been familiar with it most of your lives. I think I have a right to believe that it is the best town in our country.

"Now, I want to say this, that spasmodic efforts at law enforcement do no permanent good. They serve about the same purpose in law enforcement as these hot weather revivals do in the cause of Christianity. Periods of time come along and we have flare-ups of intense activity in the lines of law enforcement. They are just like the summer revivals: Cold weather comes and the spirit plays out. So after all, in the long run, there should be a proper and sensible steady course to pursue, and of course along the path-way that the law would direct would be the proper course.

"Now then, Hot Springs is not confronted with any more propositions of law enforcement, according to my information and belief, than any other resort town in the country; and, while I have visited very few of them, still I have talked to many people who have seen a great man of them, and I think we have about the same question here to contend with as they have. It has always been my belief that the good people of the community can and will regulate it and adjust themselves to the law and I believe that the local authorities constituted by the law is not only the proper way but is the best way to accomplish lasting and good results in the enforcement of the law, and, as I say, I believe the good people of the community can always be depended upon to do that.

"Now, in this county and community I think I know pretty well who the good people are, and I know that you are going to do what you think is the best for your community. As I stated, you have lived here a number of years, and you have your investments here, and your homes are here, and your interest is here in your community; and you do not need me nor anybody else in Hot Springs or out of Hot Springs to enlighten you upon your duty as citizens. It would be presumptuous upon me to undertake it and it is nothing but foolish upon the part of some outsider to tell me that you are not going to perform your duty as you conscientiously see it, because I know you will.

"Now then, it is true that at times, conditions here in Hot Springs become such as they need and demand, the special attention of the officers; and there have been many, many times during my tenure of office when it has been necessary to send the officials around and raid places and close them up and get rid of these gambling devices up and down the streets of our town. That has been done time and time again and there has been no rush upon our part to the newspapers to have notice of those acts of our given publicity. I think a public officer who performs the duty of the office for the sake of publicity is a 'cheap skate.' I don't think he deserves the respect of the people. There is something cheap about him somewhere when he runs to the newspaper and wants to have publicity given to everything he does in line with the performance of a simple duty.

"Now, there are two ways that we can keep down public nuisances here in Hot Springs along what is termed the gambling business. One is to indict everybody every time any sort of gambling device appears anywhere any place in this city. Another is to let the officers of this county go around and keep these places free from such gambling devices. There is not going to be any considerable number of these gambling places continue for any length of time unless it is tolerated or overlooked by the officers. Now, we know that. And I say, let's just meet these questions squarely and directly. I believe the best way is to require a little stricter lookout upon the part of our officers with respect to what I have just stated to you, and, by doing that, we can avoid the necessity of a great many prosecutions here which brings about untold expense upon the people of this county. Efforts properly directed along the line of my suggestion are more effective in suppressing the thing you want to stop and is certainly less expensive. The officers of this county are upon a salary and it is their duty to observe for any violations of the law, not only gambling but any other, every day in the week as might become a nuisance or a disturbance to Hot Springs. It is their duty and they are paid to do that.

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"Now, I want to say this to you, too, that I am not undesirably to jump on my officers. It is not my practice to do that. Sometimes we all become a little careless. And just because there may be times here when there may be going around Hot Springs, gives no man the right to say that it is on account of the collusion of the officers. That does not necessarily follow, by any means and the man who makes that statement against the public officers of this county is not informed or else he is highly prejudiced. But, as I say to you, I think there should be more vigilance upon the part of the local officers of this county and city. They have told me that they would be more vigilant and diligent in observing for these violations to which I have referred. I want to believe and I do believe they will make their promise good. I have every confidence in the world in the sheriff of this county, not only in his integrity but in his ability. He wants to work with you and he wants to work with the people of this county. I know what he desires to do; and the chief of police of the city officials referred to by the outgoing grand jury, Mr. Rasberry, according to my information and belief that he is a good, conscientious officer. So I say, when conditions reach the point, if they do, where the attention of the officers should be called to them, then I think all you would have to do would be to let them know about it. If, in your judgment, indictments should be returned against anybody who might set up any sort of a gambling devise, then you return those indictments and they will be tried; they won't be whitewashed. Just let me tell you that. You know it is a pretty easy thing for the judge of a court to do a lot of "grandstanding;" if he wants to do a lot of grandstanding, he can do that. But that is a mighty cheap, shallow way to perform a public service. Let's just illustrate what I mean by that, suppose it was against the law to have horse racing in Hot Springs and they were out there racing. You can't have horse racing without people making investments. (They call it investments.) All right. It is a violation of the law and the judge of the court with a lot of dignity (and he can have a long-tailed frock coat

on with everything else he wants to) calls the grand jury. He can assemble the grand jury and give a moral lecture on gambling that would raise the roof off of a church house and order the sheriff and deputies out there. They come back and say, "no, there is no gambling," and the judge goes home, and in all his dignity and honor, he feels he has done his duty. If you think he has, you have a different idea from what I have. I am not going to do that kind of business. I have never engaged in it. I never have and never will. I am not that sort of a four-flusher. So I say, the only way to get at a thing is walk-right-up in front of it; you can't dodge around and sidestep issues and do much with them.

"Now then, there are two or three other things I had in mind saying to the jury this morning, but it might not be proper for me to do that. On second thought, I have decided it wouldn't be. It doesn't concern law violations, however. What I had in mind saying would be considered as being somewhat political

or having a political color to it and I think there are two or three places where politics should be eliminated and forgotten: one is the pulpit, and the other the court room. I think a judge of a court who tries a case for the sake of politics is a cheap skate out and out, and I think the preacher who uses the pulpit for the sake of politics alone is a cheap skate and I don't care who he is. So I think you gentlemen understand now pretty well about the performance of your duties. You have the assistance at all times, of course, of the prosecuting attorney, and if I can be of any assistance to you, of course I am always glad to help you."

Bresad

Monday Morning, March 22, 1937.

THE SENTINEL-RECORD, HOT SPRINGS NATIONAL PARK, ARKANSAS.

Five Suspects Are Held In Connection With Club Holdup

Roscoe Johnson, manager of the Southern club, scene of an \$8,100 robbery last Friday, today will attempt to identify five suspects which Hot Springs officers are holding in connection with the case.

Police refused to divulge the suspects' names and would not state where they were arrested, although it was known two young men were brought from North Little Rock Saturday night.

Johnson said he had been advised by Chief of Detectives Herbert Akers to bring Frank Stroud, employee of the club on duty when five armed and masked men held up the place, to identify the suspects.

Authoritative sources believed none of the quintet guilty, however.

Police also were investigating the return of a bankbook and personal papers to the Southern club which were found in a downtown mail box Saturday by the postal department. The Southern club manager said these papers were taken from the club safe during the robbery.

Stroud, who said he remembered giving the five robbers only the money, stated they possibly got the papers during the excitement of the robbery.

Entering through the back entrance, the masked robbers held up Stroud and guests and forced Stroud to open the safe from which \$1,500 was taken. The guests were robbed of \$6,500.

Three of the men escaped through the back door. This trio was later believed seen by Hot Springs officers near Amity. The officers theorized they were headed for Oklahoma. Two others left through the front door and were lost in the crowd on Central avenue.

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HOT SPRINGS, (ARK.) NEW ERA

WEDNESDAY AFTERNOON, MARCH 24, 1937.

HOLDUP SUSPECTS TO BE ARRAIGNED HERE TOMORROW

Six suspects in the \$8,100 Southern Club robbery and two youths who were reported by Little Rock officers to have confessed a pair of liquor store holdups here were being questioned by local officers today. Chief of Detectives Herbert Akers said the two youths would probably be arraigned in municipal court tomorrow.

The young men, Max Holliman and Tommy Mathews, both of Little Rock, were arrested in that city yesterday in connection with a series of Little Rock and North Little Rock crimes. They were subsequently identified as the pair which held up and robbed the Monte Carlo and Majestic liquor stores here last week obtaining approximately \$76.

Detective Chief O. N. Martin, of Little Rock, said the two confessed to the local crimes. Holliman and Mathews were returned here last night along with two other suspects.

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THE SENTINEL-RECORD, HOT SPRINGS NATIONAL PARK, ARKANSAS.

Thursday Morning, March 25, 1937.

**GUNMEN HOLD UP
DRUG STORE, GET
AWAY WITH \$125**

**CHILCUTT NO. 1 SCENE
OF FOURTH ROBBERY
SINCE FRIDAY**

Two unmasked bandits about 8:30 o'clock last night held up the No. 1 Chilcutt and Martin drug store, at West Grand avenue and Violet street, and escaped with about \$125. It was the fourth armed robbery here since last Friday.

Ira Grounds, clerk on duty, said the men were extremely nervous and apparently were amateurs. Claude Chilcutt, manager of the store, said the two, in their rush, overlooked a safe and an extra cash register which contained as much or more than the amount they obtained.

"When they came in they asked for chewing gum," Grounds told officers. "I turned to get the gum and I heard them say, 'You're covered. This is a holdup'."

Grounds said both were armed. "One told me to do as I was told and no one would be hurt."

The robbers scooped about \$25 from one of the cash registers while the other, searching Grounds, took \$100 from his pocket.

"They must have been excited," the victim said, explaining, "they dropped money as fast as they picked it up."

"I suppose they were in the store only about a minute. When they left they cut the wire to the telephone in front of the store. They told me to stay inside. I don't know if they had a car."

An extension telephone in the rear of the building was also overlooked by the bandits. Grounds used this to call officers. The robbery was reported at 8:50 p.m.

Chilcutt would not state how much was in the second cash register and safe, both in sight of the robbers. "It was more than the \$125, though," the store manager said.

Day Police Captain Jerry Watkins and Officers George and Monroe Young investigated.

The officers said the robbers were described as a short man in light clothes, and a tall man in dark clothes. Both appeared to be about 25 years of age.

Officers last night said they "had definitely linked" six suspects with two of the three previous robberies.

The sextet, returned from Little Rock yesterday morning, included Max Holiman, Tommy Mathews, Woodrow Avery, Joe McCoy, H. L. Craig, and Joe Hill, all youths between the ages of 18 and 20.

Mathews and Holiman, chief of Detective Herbert Akers said, confessed participation in holdups at the Majestic and Monte Carlo liquor stores.

Craig, McCoy, Holiman and Hill were involved in the robbery of the Majestic liquor store, where \$16 was taken, officers said. Mathews and Holiman were identified as the ones who entered the Monte Carlo store. A gun and \$60 was taken here.

On each occasion, Detective Akers said, only two youths entered the store. The others remained in the car.

The six will be arraigned before Municipal Judge Ledgerwood today.

Akers also is investigating the \$8,100 Southern club robbery Friday night which started the series of crimes here. Nine suspects arrested in this case have been discarded. One arrest in a house breaking was made. William Spencer, 45, negro race track employee, accused of taking about \$75 worth of clothing from an apartment in the rear of the Oaklawn Sandwich shop, on lower Central avenue, was identified through fingerprints found in the room. The clothing was the property of Miss Edith McClain and has not been located.

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THE SENTINEL-RECORD, HOT SPRINGS NATIONAL PARK, ARKANSAS.

Friday Morning, March 26, 1937.

LIQUOR STORE
ROBBERS GIVEN
TERMS IN PRISON

YOUTHS GET THREE
YEARS EACH.—OTHER
HOLDUPS PROBED

Penitentiary sentences for six confessed bandits, all under 21, yesterday marked as solved two recent local robberies. Police continued investigations into two other holdups here in the past week.

Waiving preliminary examination before Municipal Judge Ledgerwood and investigation by the grand jury, the six youths, who police said confessed they robbed the Majestic and Monte Carlo liquor stores here, were sentenced to three years each by Circuit Judge Witt.

The sextet, Tommy Mathews, 18; Max Holliman, 18; Herbert Craig, 18; Joe McCoy, 20; Joe Hill, 18, and Woodrow Avery, 18, were all from Little Rock and North Little Rock. Chief of Detectives Herbert Akers said the six also admitted crimes in their home cities.

Holliman and Mathews admitted holding up and robbing the Monte Carlo Liquor store last Saturday night and taking \$53 and a pistol from Charles Kumpf, an employee. Kumpf identified both men in municipal court yesterday when they were arraigned for preliminary hearing.

Miss Lucinda Tillery, employee of the Majestic Liquor store, also identified Herbert Craig and Joe Hill as the two youths who forced her to lie on the floor of the liquor store last Friday night while they rifled the cash drawer of \$60. McCoy, Mathews and Avery admitted being in an automobile outside, however, and said the money was distributed among them. Each got \$16, they said.

Chief of Detectives Herbert Akers who investigated the case, said all of the young men except Mathews had police records. Mathews was the only one involved in both holdups. McCoy, said Akers, held up the Strand theatre here two years ago.

McCoy, Hill and Craig have also been arraigned in Little Rock and are under bonds ranging from \$2,000 to \$3,000 there, Chief Akers declared.

The sextet were taken to the state penitentiary from here after Little Rock officials indicated they would not make any immediate efforts to try the trio under bond there.

Municipal Judge V. S. Ledgerwood ordered Will Spencer, aged about 35, Negro, held to the Garland county grand jury under a \$2,000 bond yesterday in connection with a recent burglary of the room of Miss Edith McClain, employee of the Oaklawn Sandwich shop. The girl lived in a room back of the shop.

Night Captain Ben Rogers, who investigated the case, said finger-prints found on the window of the room tallied with those of Spencer, while a youth residing in the vicinity testified that he saw Spencer in the room from which more than \$80 worth of ladies clothing was taken.

A Negro girl, Cora Geiger, identified Spencer as the man who attempted to sell her some of the clothing taken from the room.

The robberies of the Martin and Chilcutt drug store, at West Grand avenue and Violet street, and the Southern Club raid remain for the officers to solve.

Chief Detective Akers said he believed two inexperienced youths robbed the drug store. Ira Grounds, the clerk on duty, who reported \$125 was taken, said the robbers "dropped money as fast as they picked it up." Grounds also reported that in their rush they overlooked a cash register and a safe which "contained much more than the \$125 they got."

A week after the \$8,100 Southern Club robbery police still had no clues. Nine suspects held in the case were released.

A widely-read sporting publication reported the loot taken here was \$50,000 instead of \$8,100, and that \$25,000 was taken from one person. City police were quick with the denial that the five masked men who staged the raid obtained that much.

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THE SENTINEL-RECORD, HOT SPRINGS NATIONAL PARK, ARKANSAS

Friday Morning, March 26, 1937.

NO COUNTY FAIR-RACE BETTING, SAYS GOVERNOR

VETOES MEASURE TO PROMOTE PARI-MUTUEL RACE BETTING

Little Rock, March 25—(AP)—Continuing his activity against gambling, Governor Carl E. Bailey vetoed today a bill which would have permitted pari-mutuel wagering at county fair horse races. The measure, by Rep. Ivy W. Crawford of Blytheville, was described by its author as a plan to develop agriculture.

"I have a high prejudice against gambling," the governor said, "so much so that I would not have signed the bill legalizing racing at Hot Springs had I been governor when it was passed. I think we could do without fairs better than indulge open gambling."

He placed his stamp of disapproval on a bill by Senator Lucien Coleman of Lepanto which would have relieved county officials and their bondsmen of liability where they had collected salaries or fees under legislative acts which later were held invalid by the supreme court.

Senator Fred Armstrong, author of a bill increasing the tax on out-of-state wines, today urged the governor to veto it, concurring in the executive's opinion that the measure would eliminate the tax on liquor and beer.

Armstrong said that house amendments had removed all mention of the liquor and beer levy from the measure, which would have amended the Thornt act. He urged the veto after studying the measure and conferring with Bailey.

At the second consecutive day of open hearings on measures which had been protested the governor reserved decision on a bill designed to aid road improvement districts whose bondholders refused to surrender five per cent bonds for three per cent issues after passage of the 1934 refunding act.

He also took under advisement a measure to prevent tax dodgers from claiming the right to set up a claim on land that has been sold or may be sold hereafter by the county and the state for the non payment of taxes on account of incorrect description of the land.

Bailey signed into law the Howell bill to regulate and license barbers. It sets up sanitary law requirements for barber shops and provides for a board of examiners that would license and inspect barbers and their shops.

Also signed was the Harris house measure to restrict the active participation of the judiciary in politics.

Crawford urged approval of his race betting proposal on grounds that it would aid agriculture by providing county fairs with the revenue needed for operation.

"The bill that was passed and became law to tax bank nights is far more objectionable," he declared.

Two groups from Blytheville, where a fair race track is located, urged approval and rejection of the bill. The Rev. S. H. Salmon, Presbyterian minister, headed the opposition faction. Crawford and Clarence E. Wilson, member of the state police commission, urged its enactment into law.

"I'm not in favor of moving the Hot Springs situation to Blytheville," said J. Nick Thomas, realtor.

"Conditions at Hot Springs are worse than they were in the old days of the open saloon and the red light district," added E. N. Burns, Hamburg.

Wilson replied that "they're making a mountain out of a mole hill," and Rep. Nabors Shaw of Poinsett county asserted that "I believe the members of the legislature spoke the voices of their people when they voted for this bill."

"Phillips county wants a county fair and it looks like Mr. Crawford has hit on the right plan for financing such events," Henry Rightor, Jr., of Helena, said.

Bailey vetoed the Coleman bill with the comment that "I don't believe I ought to sign a bill that would validate the illegal payments of public funds to county officials. This might be construed as giving protection to those who wrongfully took money."

Debate on the measure to aid road improvement districts consumed most of the day, the governor indicating that he would not approve it because it "violated the spirit" of the 1934 bond refunding contract.

The measure, by Senators Fagan and Dillon of Pulaski, would authorize the state to issue three per cent bonds to districts for sale to take up five per cent bonds which holders have refused to surrender in exchange for the lower interest bearing issues.

District No. 10 in Pulaski county would be the principal beneficiary. The Woodmen of the World which holds its bonds totalling \$1,160,000, refused to surrender them and has sued the district in federal court for full payment. His suit has been on the docket for three years but advocates of the Fagan-Dillon bill predicted that the W. O. W. would win the court battle within a few months.

Other counties in similar situations are Mississippi, Arkansas, Crittenden, Ashley, Yell, Phillips, Lee, St. Francis and Poinsett.

Refusal of the W. O. W. to participate in the three-year-old resounding program brought the critical comment from Bailey that "we're dealing with a creditor who is

frankly a usurer, demanding his pound of flesh."

He said the fraternal insurance company took thousands of dollars of business annually out of Arkansas but paid no taxes. A supreme court decision recently ended his attempt to force fraternals to pay approximately \$1,600,000 back taxes to the state.

The governor signed three concurrent resolutions as follows:

By Brickhouse, urging President Roosevelt to use his good offices to persuade remaining states to ratify the child labor amendment.

By redigesting committee, designating the new digest of state laws as the Pope digest, in honor of Former Attorney General Walter L. Pope.

By Purviance, asking the Arkansas congressional delegation to obtain approval of drainage projects by the CCC.

Bretz

THE SENTINEL-RECORD, HOT SPRINGS NATIONAL PARK, ARKANSAS.

Friday Morning, March 26, 1937.

**Little Rock Gambling
To Also Get Attention**

Little Rock, March 25—(P)—
Prosecutor Fred A. Dorham announced tonight that he will confer with the Pulaski county sheriff and police chiefs of greater Little Rock tomorrow on a campaign to stop "illegal gambling enterprises."

His announcement followed a statement by Gov. Carl E. Bailey warning state employees against patronizing such enterprises.

Gretel

FRIDAY AFTERNOON, MARCH 26, 1937.

GAMBLING TO BE HALTED IN LITTLE ROCK

Pulaski Officials Plan To Enforce Bailey Order

FIGHT "BOOKIES"

State Employees Warned Not To Patronize "Enterprises"

Little Rock, Mar. 26.—(P)—Pulaski county and greater Little Rock law enforcement heads arranged a conference today to stop "illegal gambling enterprises," mentioned in a statement issued yesterday by Gov. Carl E. Bailey.

Bailey warned state employees against patronizing such operators.

Prosecutor Fred A. Donham asked for today's conference with Sheriff L. B. Branch and the police chiefs of Little Rock and North Little Rock.

Gov. Bailey in an order to all state department heads warned statehouse employees against concerning themselves with horse races at Hot Springs during working hours or patronizing "illegal gambling enterprises."

Many employees construed his reference to "illegal gambling enterprises" to mean bookmakers.

The order to Department heads follows:

"It has come to my attention that some of the state employes have been allowing the horse races at Hot Springs to interfere with their work. I cannot believe that any of them would deliberately neglect their duties.

"I wish that you would emphasize to all in your department that they should not concern themselves about the races during office hours or patronize illegal enterprises at any time.

"It is decidedly improper for state employes to go to the races on afternoons when they are presumed to be at work."

The governor's bulletin was believed to have been occasioned by reports that agents of Greater Little Rock "bookies" were visiting

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department offices in the capitol daily. Reports said, the walking "bookies" accepted money for bets and paid winners the following day. Employes of several departments also were reported to have abandoned their work several afternoons in favor of the Oaklawn race track at Hot Springs.

The governor's statement represented the first official condemnation of gambling here since the November, 1935 Pulaski county Grand Jury in a report to Judge McGehee February 26, 1936, criticized laxity of law enforcement in the county. The Grand Jury repudiated a special report made in November, 1935, which discounted reports of widespread gambling here. The Grand Jury said that its efforts at law enforcement had alleviated the evils of open gambling and warned against the enforcement of "puritanical" anti-gambling measures.

The Grand Jury recommended to the court "that future Grand Juries be urged to indict for nonfeasance in office any of the above mentioned department heads (chief law enforcement officers) should they in the future permit gambling houses to remain open or professional gamblers to operate."

Earlier in this week the governor put the "lid" on open gambling in Hot Springs after reports were published that gambling houses had resumed operation following adjournment of the legislature. Gambling at Hot Springs was suspended during an investigation into conditions there by a Special Committee of the House, which instituted a raid by state officers that resulted in the seizure and burning of \$15,000 in gambling equipment.

Tuesday, the governor instructed Gray Albright, superintendent of State Police, to confiscate slot machines throughout the state after receiving complaints of widespread operation.

Bretz

Sunday Morning, March 28, 1937.

THE SENTINEL-RECORD, HOT SPRINGS NATIONAL PARK, ARKANSAS.

**Capital 'Bookies' Face
Serious Felony Charge**

Little Rock, March 27.—(AP)—Prosecuting Attorney Fred A. Donham announced today filing of felony charges against two men booked as Clint Cavin and Oscar Nelson, arrested following raids Thursday on alleged horse racing booking establishments.

Donham said he charged the two with keeping, conducting and operating a gambling establishment. Conviction on this charge carries a penitentiary sentence of from one to three years.

Bretzak

HOT SPRINGS, (ARK.) NEW ERA

MONDAY AFTERNOON, MARCH 29, 1937.

Thomas Dewey, Nemesis Of Luciano, On Trail of Other New York Rackets

New York, Mar. 29.—(AP)—Next! Like a trim black-robed barber snipping the air mediatively with a pair of judicial shears, Thomas E. Dewey, the racket buster, looked down the ranks of prospective customers today, and his eyes settled on two men charged with bedeviling New York's huge trucking industry.

They are James (Jimmy Doyle) Plumeri, a manager of prize fighters in his spare time, and John (Johnny Dio) Dioguardi.

They rest in the Tombs, in lieu of \$50,000 bail, charged with instituting a reign of strong-arm terror in the trucking industry for almost two years through violence, intimidation, wrecking trucks, smashing windows, black-jacking drivers, tossing stench bombs. They have pleaded innocent to a ten count indictment.

They are "next!" in a line that includes the alleged leaders of New York's far flung policy racket, or numbers game; the bakery and poultry rackets.

They follow such predecessors, without a single prosecution failure, as the seven men convicted last week of heading the \$2,000,000 a year restaurant extortion racket for which they can be sentenced to a total of 2,398 years and six months in jail.

The breaking up of a \$1,000,000 a week loan-shark racket with the conviction of 21 members, all sentenced to between six months and five years in jail.

Conviction of Charles (Lucky) Luciano and eight confederates to long terms as rulers of New York's vice ring.

Convictions of two lawyers for aiding racketeers with legal advice, indictment of two others, and demotion, and possible prosecution, of a detective suspected of informing racketeers of the secret offensive plans of Dewey's office.

In all, working on a \$23,000 a year contingency fund, Dewey, a smart looking young man with a dark mustache and a movie hero look, has convicted 60 men in his special campaign, has 19 more waiting for his shears, has brought in convictions that meant possible sentences of a total of 6,000 years, and has wrecked or forced into inactivity, vice, restaurant, loan-shark, trucking, poultry, baking, and policy rackets with a year levy running probably higher than \$25,000,000.

In his spare time, practically non-existent these days, Dewey plays golf and says nothing. He also says practically nothing when working, except in a court room. He's a republican, and the young leaders consider him the "white hope" of the party in New York state.

Bretzel

THREE IDENTIFIED IN SOUTHERN CLUB ROBBERY

CHICAGO POLICE
HOLD TRIO FOR
\$32,000 HOLDUP

Bond For Suspects Is
Set At \$25,000
Each

TO BE RETURNED

Spa Detective Chief
To Seek Immediate
Extradition

Chicago, Ill., April 10.—
(AP)—Frank Stroud, 24, and Miss Joyce White, 23, of Hot Springs, Ark., pointed out three Chicagoans in a police lineup today as "greatly resembling" three robbers who took \$32,000 from nine men in a holdup at the Southern Club, Hot Springs, Ark., March 19.

Police identified the trio as Martin (Sonny Boy) Quirk, 33, prohibition era gangster, Martin Lavere, 25, and John Costello, 31.

Stroud is an employee of the club and Miss White is a physician's assistant. They failed to identify Joe Mund, 27, a fourth suspect arrested in connection with the robbery.

Chief of Detectives Herbert Akers of Hot Springs asked extradition of the four on robbery charges. All denied any connection with the robbery.

Three suspects being held in Chicago in connection with the recent bold daylight robbery of the Southern Club here have refused to waive extradition for their return to Hot Springs. Chief of Detectives Herbert Akers notified the New Era from Chicago this afternoon. Akers added however, that he expected to obtain extradition papers from the governor of Illinois early next week and would probably return here with the trio by Wednesday.

In his message to the New Era, Detective Chief Akers said four suspects were identified. An Associated Press dispatch from Chicago said only three were identified.

Akers said bonds for the men were set at \$25,000 each.

The detective chief left here yesterday for Chicago accompanied by Frank Stroud, an employee of the Southern Club; Miss Joyce White, employed at the adjoining Medical Arts Building; and Jerry Watkins.
(PLEASE TURN TO PAGE 8.)

(Bureau Copy)

Hot Spring Arkansas
New Era
4-10-37

Next Page

local patrolman. Miss White was reported to have seen three of the robbers as they fled up the side of West Mountain following the robbery.

The Southern Club was held up late the evening of March 19 by five masked men who suddenly appeared "from nowhere", lined up guests in the reception room, and forced Stroud at the point of a gun to open the club's safe. Club officials said \$1,500, most of which belonged to the Southern Grill, operated in conjunction with the club, was taken from the safe. The club was closed at the time as a result of raids by state revenue agents.

At that time only \$8,100 was reported taken from the club and its guests, but an Associated Press dispatch from Chicago set the loot at \$32,000.

Among those who suffered losses in the robbery were: Thomas Abbdo, \$1,500; Spike Kelly, \$3,000; Brass McDonald, \$700; Sam Nathan, \$500; and "Murph" Murray, \$900. All were said to be Chicago residents here for the race meet.

Three of the robbers fled up the side of West Mountain following the robbery, and the other two lost themselves in crowded Central avenue. Officers gave chase to the two which fled up the mountain to a parked automobile, but lost the trail between Amity and Glenwood after a 60-mile chase.

~~WILL EXTRADITE~~ HOLDUP SUSPECTS

**EFFORTS MADE TO
BRING HOLDUP SUS-
PECTS QUICKLY**

CHICAGO TRIO HELD

**Chief of Detectives Akers, in
Chicago, Wires That
Southern Club Robbery
Suspects Will Be Re-
turned.**

Efforts to speed the extradition of three men, held at Chicago, in connection with the \$32,000 holdup of the Southern Club here, were made last night by Chief of Police Weldon Rasberry, of the Hot Springs Police department.

Chief Rasberry sought to contact Governor Carl E. Bailey, here for the week-end, to have the state's chief executive sign extradition papers for the return of the suspects, pointed out in a police lineup at Chicago yesterday as "greatly resembling" bandits in the holdup of the club and a number of patrons March 19.

Frank Stroud, 24, employee at the club, and Miss Joyce White, 23, local physician's assistant, singled out Martin (Sonny Boy) Quirk, prohibition era gangster, along with Martin Lavere, 25, and John Costello, 31, but failed to recognize John Mundo, 27, a fourth suspect arrested in connection with the robbery.

All denied any connection with the holdup.

Chief of Detectives Herbert Akers of Hot Springs, in Chicago in connection with the case, along with Stroud and Miss White, asked extradition of the four on the robbery charge.

The requisition on Governor Horner, of Illinois, could be sent from Little Rock the first thing Monday morning, Chief Rasberry pointed out.

Chief Akers said yesterday afternoon in a message from Chicago that he expected to obtain the extradition papers from the Illinois governor early next week and would probably return with the trio by Wednesday.

Bond for each of the suspects has been set at \$25,000.

Detective Chief Akers left here Friday for Chicago, accompanied by Stroud, Day Captain of Police Jerry Watkins, and Miss White. The latter was reported to have seen the three men as they fled up the side of West Mountain following the robbery.

Five masked men held up the club late on the afternoon of March 19.

BREKID.

*Hot Springs Ark
New Era*

4-11-37

Bureau Copy.

M'LAUGHLIN ELECTED FOR SIXTH TERM BY BIG VO

MAYOR HAS 4699 VOTES AGAINST 211 FOR ELMER TACKETT

SCORES CITY'S CRITICS

Chief Executive of Hot Springs Declares Endorsement by People is Reply to Attack Made on Officials Here.

Swept into the mayor's office for his sixth consecutive term by the largest majority ever polled in a city election here, Mayor Leo P. McLaughlin last night termed his re-election an "emphatic reply of the people of Hot Springs to the unjust, unwarranted and most vicious attack recently made on their city and county officials."

Carrying every ward in the city by a tremendous majority, Mayor McLaughlin polled 4,699 votes to 211 for his opponent, Elmer Tackett, local attorney and former state representative.

More than 4,900 votes were polled during the voting yesterday, a record vote in a mayor's race for Hot Springs. Election officials said the previous high was less than 4,500. There were 8,500 eligible voters in the city.

Municipal Judge V. S. Ledgerwood, holder of that office for 24 years, was returned to office without opposition along with City Treasurer Milton P. Moore and eight city aldermen.

Expressing appreciation and gratitude for the landslide vote in his favor, Mayor McLaughlin issued a statement in which he struck back at instigators of the recent legislative investigation of alleged lawless conditions in Hot Springs.

Hot Springs was the target for an official investigation of alleged "lawlessness" by the recent Arkansas legislature. A special house committee, after questioning scores of witnesses, including Mayor McLaughlin, recommended impeachment of Circuit Judge Earl Witt of this city on charges of misconduct. The house absolved the judge of the charge.

McLaughlin's statement follows:

"The endorsement of my administration today by the people of Hot Springs is so overwhelming that it is difficult to find words adequate to truly express the sincere appreciation and gratitude I feel.

"Today's election was something

far more important than choosing a mayor. It was the emphatic reply of the people of Hot Springs to the unjust, unwarranted and most vicious attack recently made on their city and county officials, which placed this noted health and pleasure resort in a most unfavorable light before the people of the state and nation.

"Had what was charged been true, no political organization however

powerful could have withstood the condemnation of the people. The fair name of Hot Springs had been stained by false accusations; property interests had been damaged, and the citizenship generally felt the stigma of that attack.

"Today was the first opportunity the people of Hot Springs had to reply. By their votes they have hurled back into the teeth of their late accusers the many false charges they made. This great endorsement today is the demand of the citizens of Hot Springs for justice for their city. It should ring throughout the state as a pronouncement that Hot Springs not only emphatically resents the recent action of a group of political destructionists, but is tremendously satisfied and thoroughly well pleased with the policies of the city administration in regard to conducting the affairs of the city of Hot Springs."

Mayor McLaughlin executive of the city for the past 10 years, heaviest majority in second ward, his home gave him 1,623 votes to opponent. In the fifth ward he polled 556 to 4 for Tackett. Tackett's strongest support came in the sixth ward where he polled 44 votes to 269 for McLaughlin.

Judge Ledgerwood and Alderman Frank Grant of the second ward polled the highest vote among the unopposed candidates, each having 4,892. City Treasurer Moore had a total of 4,889. He was elected to his second term.

Aldermen elected from the various wards and their total vote follows:

First ward, Sam G. Smith, 4,869; second ward, Frank Grant, 4,892; third ward, Robert Cartney, 4,842; fourth ward, John C. Wolf, 4,888; fifth ward, Eddie Coburn, 4,870; sixth ward, J. M. (Jack) Goslee, 4,855; seventh ward, M. Edwards, 4,819; eighth ward, J. M. Hickman, 4,841.

All aldermen elected were incumbents except J. M. Goslee who succeeds his brother, Charles Goslee, as alderman of the sixth ward. The latter did not seek re-election.

Judge Ledgerwood, holder of the office of municipal judge since that office was created 24 years ago, said last night he considered it "a rare compliment for a man in office 24 years to be re-elected to another term without opposition."

"It is the greatest compliment for a man in politics," he added in expressing his appreciation and gratitude for the support given him.

In his 24 years in office, Judge Ledgerwood has tried more than 300,000 cases. He was re-elected to a four-year term.

Mr. Tackett could not be reached for a statement last night.

Mr. Nathan
Mr. Tolson
Mr. Baughman
Mr. Clegg
Mr. Coffey
Mr. Dawayne
Mr. Egan
Mr. Foxworth
Mr. Glavin
Mr. Harbo
Mr. Joseph
Mr. Lester
Mr. McNamee
Mr. Quinn
Mr. Schilder
Mr. Tamm *late*
Miss Gandy

Cliff 7-10-34

13 RE KID -
Hot Springs Ark
Sentinel-Record
April 7-1937

7-576-3-109
(Bureau Copy)

7-576-3-109

COPY

MEH:MM

Oklahoma City, Oklahoma.

April 29, 1937

Special Agent in Charge,
Little Rock, Arkansas.

25052

Dear Sir:

Reference is made to Bureau letter dated April 21, 1937, requesting that a search of the index cards in the Oklahoma City Division be made in order to ascertain if pertinent serials in cases involving Joe Stone, Clarence Stone, Clem Holman, Pete Traxler, Paul Ervin and W. L. Ebby are in the possession of the Little Rock Field Division.

In this connection please be advised that a check of the index file failed to locate any data on W. L. (Bullet) Ebby. As to the other subjects, the following serials are transmitted herewith:

JOE ELMER STONE with aliases, et al - N.M.V.T.A.; Oklahoma City file #26-3216. Serials 4,6,38,41,50,108,112,120 and 122.

JOE ELMER STONE with aliases, et al * N.M.V.T.A.; Oklahoma City File #26-3433. Serials 1,3,8,9,10.

JOE ELMER STONE with aliases, et al - N.M.V.T.A.; Oklahoma City File #26-3744. Serials 1,4,8,9,13.

JOE ELMER STONE with aliases, et al - N.M.V.T.A.; Oklahoma City file #26-3737. Serials 7,8,11,12,13.

JAMES PAUL ERVIN with aliases, et al - N.M.V.T.A; Oklahoma City file #26-3770. Serials 1,6,24,29,36,41.

ROY TRAXLER with aliases - N.M.V.T.A.; Oklahoma City File #26-3701 Serials 9,17.

NEAL PHILLIPS PARNELL et al N.M.V.T.A.; OKLAHOMA CITY File #26-3540 Serials 13,19,28,36,49,61.

ARTHUR SPENCER with aliases, et al - N.M.V.T.A.; Oklahoma City file #26-5248. Serial 1.

SETH STONE with aliases, et al - N.M.V.T.A.; Oklahoma City File #26-3504 - Serials 43,56,65,68,80,104,128,151,158.

Very truly yours,

RECORDED & INDEXED

C. W. STEIN,
Special Agent in Charge
FEDERAL BUREAU OF INVESTIGATION

MAY 5 1937 A.

Q1

SEARCHED	INDEXED
SERIALIZED	FILED
MAY 5 1937	

ONE 10

FEDERAL BUREAU OF INVESTIGATION
DEPARTMENT OF JUSTICE

Form No. 8
THE CASE ORIGINATED AT Cincinnati, Ohio.

Lo. No. FILE NO.

REPORT MADE AT:	DATE WHEN MADE:	PERIOD FOR WHICH MADE:	REPORT MADE BY:
Little Rock, Ark.	5/12/37	4/14 to 5/2/37	D. P. SULLIVAN
NAME: GEORGE TIMINEY; DR. JOSEPH P. MORAN, with aliases - FUGITIVE; L. O. No. 1232; ET AL;		CHARACTER OF CASE: KIDNAPING; HARBORING OF FUGITIVES; OBSTRUCTION OF JUSTICE; NATIONAL FIREARMS ACT.	
EDWARD GEORGE BREWER - Victim.			

SUMMARY REPORT
COMPREHENSIVE SUMMARY OF INFORMATION
OBTAINED FROM TELEPHONE SURVEILLANCE
AT HOT SPRINGS, ARKANSAS.

25053

This is the joint report of Special Agents John L. Madala,
E. A. Snow, B. M. Suttler and the writer.

This report was written at the request of Inspector E. J.
Connelley, for the purpose of providing a digest of the information that
was obtained over the telephone taps that were maintained at Hot Springs,
Arkansas.

On November 23, 1936, telephone taps were established on the
following telephones:

Telephone No. 123,
Listed to Police Department, Hot Springs.

Telephone No. 446,
Listed to Chief of Police and
City Jail, Hot Springs.

Telephone No. 648,
Listed to the Mayor's office, Hot Springs.

All of the above telephones are located in the City Hall at Hot Springs,
Arkansas.

DO NOT WRITE IN THESE SPACES

APPROVED AND FORWARDED: <i>John L. Madala</i>	SPECIAL AGENT IN CHARGE	7-57-311	RECORDED AND INDEXED: MAY 14 1937
COPIES OF THIS REPORT FURNISHED TO:		BUREAU OF INVESTIGATION	
3- Bureau - (initials)		MAY 14 P.M.	
2- Cincinnati (initials)		DEPARTMENT OF JUSTICE	
1- Cleveland		ROUTED	
1- Chicago		JACKETED	
1- Inspector E. J. Connelley			
Little Rock			

On February 5, 1937, a telephone tap was established on

Telephone No. 2115,
unlisted telephone of William S. Jacobs,
116 Cedar Street, Hot Springs, Ark.

All of the above telephone taps were permanently disconnected on April 12, 1937.

During the time these telephone taps were maintained, numerous telephone calls were overheard daily that pointed to a condition of corruption existing in the operation of the present city administration. Because of the abundance of such calls, many being of somewhat indefinite nature, and others repetitious of the same matters discussed in previous conversations, no attempt will be made to mention every such conversation. It is intended that this report will provide a picture of corruption as it exists in the city of Hot Springs, Arkansas, based upon the observation of the above telephone taps. Special reference will be made to certain calls which illustrate particular phases of the present corrupt conditions existing at Hot Springs, Arkansas.

During the year 1925, Leo P. McLaughlin was elected Mayor of Hot Springs. He has retained this position continuously up to the present time. During this period Hot Springs has obtained a national reputation as a wide open town and a place of refuge for badly wanted fugitives. The matter contained in this report will explain the basis upon which this reputation rests.

McLaughlin has built up a political organization in the city of Hot Springs and in Garland county, in which Hot Springs is located, which is so iron clad that his political opponents are powerless to oust him.

The power which McLaughlin holds in Hot Springs was obtained through his association with gamblers. This he accomplished through the creation of a gambling syndicate which he permitted to operate in Hot Springs in open violation of law. With this syndicate "footing the bills" McLaughlin had the money to purchase votes; to control and dominate the Judiciary; prosecutive official and the Police Department in Hot Springs and Garland County; to bribe State officials; to influence State legislation, and become a political figure to be feared in State politics.

The illegal methods by which Mayor McLaughlin obtains his power were brought out in the recent Hot Springs city election. Evidence was obtained that the city administration, aided by local gamblers, illegally assessed and paid poll taxes. Thereafter, with

2 7-576-3-111

the aid of city employees, these groups solicited persons to cast illegal votes based upon the fraudulently obtained lists of fictitious eligible voters. The secrecy of the ballot was violated by adherence of the city administration to practically dominate the city election through the employment of corrupt election officials.

It is not surprising therefore, that the effect on Hot Springs of this regime that is founded in lawlessness, is measured in civic corruption, vice, official treachery that scarcely has a parallel in any other community in the country. The current investigation specifically disclosed the existence of open gambling, operating on the pretext of benefits accruing to the city through a fictitious system of fines. The investigation disclosed the existence of a gambling syndicate made up of city officials, headed by Mayor Leo P. McLaughlin, members of the Press, with W. S. Jacobs as representative of the gambling interests, the syndicate apparently operating to the mutual personal profit of its members.

Definite information was obtained of the collusion of city officials, members of the press, and W. S. Jacobs, to obstruct the enforcement of gambling laws and to influence State legislation and State legislators through the payment of money.

As a consequence of this association of the lawless with officialdom, it was learned that city employees work in gambling houses; that the local Police Department affords police protection to gambling operators and transmits official information through "tip offs" of any intended action by the State to enforce the gambling laws. The monopoly which the syndicate enjoys in gambling, is maintained through arrest by the Police Department of any gamblers, not members of the syndicate, who attempt to operate gambling games in Hot Springs. On the other hand, the Police Department completely ignores the daily violations of the gambling laws on the part of those who are aligned with the city administration.

CONFIDENTIAL INFORMATION WAS OBTAINED THAT MAYOR McLAUGHLIN IS ALSO THE REPUTED HEAD OF LOCAL VICE, and the reputed owner of real property on which houses of prostitution are being operated. The investigation showed that disorderly houses operate openly through a reported system of protection money paid to city officials. Credence is lent to this belief, because operators of disorderly houses demand an equality of treatment, and register their disapproval with the Police Department when favors are shown one operator over the others. The "madams" of houses of prostitution consider it their right and privilege to call upon the local police to protect their interests and property.

It was learned that police officers and officials are in personal and intimate association with operators of vice resorts. As a result of this lewd intimacy, highly confidential police information comes to the knowledge of prostitutes and operators of disorderly houses. Through members of the Police Department, such persons are "tipped off" of intended investigations. As a further result of this corrupt association of local police with persons in the vice racket, the police department acts as an agency in the collection of money earned by prostitutes in the practice of their illegal vocation.

With gambling as the great corrupter and vices rampant in the city, it is not surprising to learn that evidence obtained of a virtual complete break-down in local law enforcement, represented by the Police Department "tipping off" persons wanted by law enforcement agencies, the apparent dealing by police officials in "hot" merchandise, the acceptance by the police of commissions from the sale of stolen property, and the releasing of prisoners through bribery of officials of the Police Department.

The surveillance that was maintained disclosed a traffic in firearms, whereby members of the Police Department purchased, sold and exchanged such firearms indiscriminately with each other, and with private citizens. The identifying marks of such weapons are not kept and even in the case of the guns used by the Police Department on official business, no records of the serial numbers are maintained. The entire grossly negligent and haphazard manner in which this traffic is carried on makes it a fertile source where persons inclined to crime can obtain the necessary weapons to carry on their criminal activities.

The investigation disclosed further a racket, whereby certain attorneys are notified by the Police Department when a person has been incarcerated in the city jail. In such cases where the prisoner has sufficient money to pay a sizable attorney's fee. The inference can be justly drawn that the police officer gets some commission or percentage of the fee received by the lawyer who has been retained. It was also noted that the Police Department notifies professional bondsmen in cases where a bond must be given to secure the release of a prisoner.

Information was also obtained of the release of duly sentenced prisoners prior to the expiration of their sentence, this type of "fix" being done upon the orders of Mayor Leo P. McLaughlin or Municipal Judge Verne Ledgerwood.

It would appear that this is another method used by the city administration to dispense favors to political supporters.

Evidence was also found of the use of the "fix" in various types of violations, including the habitual "fixing" of traffic violations.

Regarding prisoner John Dickson, who died at Hot Springs, Arkansas on December 26, 1936, evidence was obtained of police brutality directed against Dickson, which brutality ultimately resulted in his death. It was learned that Mayor McLaughlin and local police officer conspired to hide from the press and from Dickson's friends the fact that he had been beaten by the police and was suffering from serious injuries prior to his death; that after Dickson died, McLaughlin and officials of the Police Department apparently conspired to prevent a coroner's inquest into the suspicious circumstances surrounding Dickson's death; that McLaughlin and Judge Ledgerwood exerted efforts to "fix" the personnel of the grand jury which investigated Dickson's death, and apparently were successful in influencing the grand jury in its findings.

During the early part of January, 1937, a committee was appointed by the State legislature to conduct an investigation of lawless conditions existing in Hot Springs and in Montgomery and Garland counties. This committee was also authorized to investigate the alleged misconduct in office of Circuit Judge Earl Witt, a close friend of the present city administration at Hot Springs, Arkansas. The surveillance maintained of the telephone taps disclosed evidence of the following in connection with the efforts of Mayor McLaughlin and other city officials to prevent and impede this investigation.

No. 1 - Misconduct in office on the part of

Mayor Leo P. McLaughlin
Circuit Judge Earl Witt
City Attorney A. T. "Sonny" Davies
Municipal Judge Verne S. Ledgerwood

who allied themselves with W. S. Jacobs, gambling czar, and through his financial aid -

- (a) originally attempted to forestall a legislative investigation.
- (b) Attempted to "fix" the personnel of the investigating committee appointed by the State legislature.

(c) Obstructing and hindering the investigation through coaching of witnesses, for the purpose of keeping hidden the true lawless conditions existing in Hot Springs, Ark.

Mayor McLaughlin was unsuccessful in inducing the committee to "whitewash" Hot Springs and exonerate Judge Witt of the charges of misconduct. The influence which he had previously exerted bore fruit however, when this matter was referred to the State legislature. That body refused to follow the findings of the committee that had conducted the investigation and voted to exonerate Circuit Judge Earl Witt of the charges contained in the report of the committee.

In order that this information can be readily available for reference purposes, a list of the city officials prior and subsequent to April 6, 1937; a list of the personnel of the Hot Springs Police Department prior and subsequent to January 7, 1937, and a list of the officials in Garland County, both prior and subsequent to January 1, 1937, is being set out immediately hereunder.

A separate list, "Racketeers", with the principal places in Hot Springs, from which they operate, and a list of the State officials who were contacted in matters affecting Garland County during this investigation will be set up at the end of this report.

The information as to the location of known houses of prostitution and gambling places, and the names of the operators, will be set forth in that section of the report where these matters are individually discussed.

CITY OFFICIALS OF HOT SPRINGS, ARKANSAS,
PRIOR TO CITY ELECTION OF APRIL 6, 1937.

Mayor	Leo P. McLaughlin
Judge	Venne S. Ledgerwood
Attorney	A. T. "Sonny" Davies
Treasurer	Milton P. Moore
Physician	Dr. J. F. Merritt
Clerk	Emmett Jackson
Dir. Pub. Safety	Weldon Rasberry
Aldermen:	
	Sam G. Smith, 1st Ward
	Frank Grant, 2nd Ward
	Robert Cartney, 3rd Ward
	John C. Wolf, 4th Ward
	Eddie Coburn 5th Ward
	Charles Goslee, 6th Ward

Aldermen: (Cont'd.) M. Edwards, 7th Ward
J. M. Hickman, 8th Ward

NOTE: All of the above officials and aldermen were re-elected on April 6, 1937, with the exception of Charles Goslee, who was succeeded by J. M. Goslee.

MEMBERS OF THE HOT SPRINGS POLICE DEPARTMENT
PRIOR AND SUBSEQUENT TO JANUARY 7, 1937.

PRIOR

Wakelin, Joseph, Chief of Police (suspended)
Akers, Herbert, Chief of Detectives
Cooper, Archer L., Day Captain (discharged)
Moore, Robert L., Night Captain (discharged)
Brock, Cecil, Lieutenant (discharged)
Tucker, Frank H., Jailer
Corrington, Owen, Jailer
Rogers, Ben., Lieutenant
Abbott, Wm. S., Patrolman
Buchanan, Glenn, Detective (discharged)
Davis, Floyd, Patrolman
Evans, T. G. "Curley", Detective
Kelley, Albert, Patrolman
Moore, Garnett, Patrolman
Murray, John, Patrolman
Robbins, Charles, Patrolman
Irwin, Andy, Patrolman (discharged)
Scott, Joe L., Patrolman (discharged)
Griffin, Preston H., Patrolman (discharged)
Terry, "Red" Patrolman

SUBSEQUENT

* Basberry, Weldon, Chief of Police
Akers, Herbert, Chief of Detectives
Watkins, Jerry "Swede" Day captain
Rogers, Ben, Night Captain
Corrington, Owen, Jailer
Tucker Frank H., Jailer
Abbott, Wm. S., Patrolman
Bradley, Ed., Patrolman
Bradley, Jim, Patrolman
Davis, Floyd, Patrolman
Evans, T. G. "Curley", Patrolman
Fowler, Dave, Patrolman
Kelley, Albert, Patrolman
Moore, Garnett, Detective
Murray, John, Patrolman
Petty, Frank, Patrolman
Rawls, (?), Patrolman
Robbins, Charles, Patrolman
* Wilhelm, Walter, Fingerprint Man
Young, George, Patrolman
* Young, Monroe, Detective

* Represents new men hired to take the place of those who were discharged. At the present time there are no Lieutenants on the force, as far as can be determined.

**OFFICIALS OF GARLAND COUNTY,
ARKANSAS,
PRIOR TO JANUARY 1, 1937.**

<u>Date of Commission</u>	<u>Office</u>	<u>Name</u>	<u>Date Qualified</u>
Jan. 1, 1933	County Judge	Charles H. Davis	Jan. 3, 1933
Jan. 1, 1933	Circuit Clerk	John E. Jones	Jan. 2, 1933
Jan. 1, 1933	County Clerk	James C. Williams	Jan. 3, 1933
Jan. 1, 1933	Coroner	J. P. Randolph	Jan. 5, 1933
Jan. 1, 1933	Sheriff	Jim Floyd	Jan. 2, 1933
Jan. 1, 1933	Treasurer	Elza T. Housley	Jan. 3, 1933
Jan. 1, 1933	Assessor	Frank W. Rawles	Jan. 2, 1933
Jan. 1, 1933	Collector	J. Mack Wilson	Jan. 2, 1933
Jan. 1, 1933	Surveyor	H. S. Moreland	Jan. 16, 1933
Aug. 30, 1934	Spec. Probate Judge	C. T. Cotham	Aug. 31, 1934
	Constable	John Young	
	Chancellor	S. W. Garratt	
	County Prosecutor	Houston Emory	
	Asst. Prosecutor	Curtis Ridgeway	

**OFFICIALS OF GARLAND COUNTY,
ARKANSAS
SUBSEQUENT TO JANUARY 1, 1937.**

<u>Office</u>	<u>Name</u>
Circuit Judge	Earl Witt
County Judge	Elza T. Housley
Circuit Clerk	John E. Jones
County Clerk	Roy C. Baef
Treasurer	Henry Murphy
Assessor	Roy Gillwater
Surveyor	B. A. Ault
Coroner	J. P. Randolph
Collector	J. Mack Wilson
Constable	John Young
Sheriff	Marion Anderson
Deputy Sheriffs:	Roy Ermey
	John Ermey
	Will Lowe
	Sol Godwin
	Pete Gross
	S. W. Garratt
	Gibson Witt, Jr.
	Curtis Ridgeway

GAMBLING IN HOT SPRINGS

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Gambling in the city of Hot Springs, as it exists today, is not a new venture. From the files of this Bureau, it was revealed that open gambling has been in existence in Hot Springs during the past twenty years, but probably not so prominently and notoriously until Leo P. McLaughlin began his career as Mayor of Hot Springs in 1925. By virtue of the strong political organization he has built up since he became Mayor of Hot Springs, Leo P. McLaughlin has been able to control and direct the wide open and extensive gambling in this resort city.

The Bureau files show that back in 1930 and 1931, McLaughlin, who was then already Mayor of Hot Springs, was in partnership with Richard T. Galatas and Frank Clark in the slot machine racket in the city, and county. Other confidential information received indicated that all city officials at Hot Springs are in on the "pay-off", and receive 15% of the proceeds from gambling, confidence games, and vice operations. A short time ago, Jim Poulos, who was formerly employed as a bouncer at the Belvedere Club, one of the largest gambling establishments in Hot Springs, said that George McLaughlin, brother of Mayor McLaughlin, collected tickets representing receipts and disbursements of the gambling places in Hot Springs, and took them to the city and county officials for auditing, and calculation of the percentage to paid to the officials; that George McLaughlin collected from the gambling establishments, and former Night Captain of Police Arch Cooper collected from the bookmaking places; that the data shown on these tickets reflect the true facts as to the business conducted at these gambling places; but when the entries are made on the books the figures are entered in another way; that the percentage paid to the city and county officials are entered on the books as gambling losses, thereby concealing the true transaction.

Recently a legislative investigation was conducted of the lawless conditions in Hot Springs, and the committee that made this investigation reported that for the past several years the city of Hot Springs not only made no effort to enforce the anti-gambling laws of the State, but that the officials of the city had boldly taken the view that gambling was an industry necessary to the health, peace and welfare of Hot Springs and Garland County. The committee further learned, and this can be substantiated by the evidence secured as a result of the Bureau's telephone taps, that policemen, firemen and other employees of the city and county, as well as relatives of the prominent public officials of the district, county and city, are employed and on the payroll of these gambling houses.

The committee found that W. S. Jacobs, who owns several of the gambling places in Hot Springs, and who, by virtue of McLaughlin's influence, controls gambling in this resort city, had been making the practice of giving gifts of large dividends to prominent people of the city to, as it was put, "obtain their influence". The committee investigation further disclosed that the smaller gambling houses in Hot Springs pay semi-monthly fines of \$100.00 each, while the larger places which are owned and operated by W. S. Jacobs, and where the real money is won and lost, pay no fines.

In further reference to this so called system of fines mentioned above, Mayor McLaughlin recently stood before the City Council after the State had closed all gambling and bookmaking establishments in Hot Springs upon orders from the State administration, and declared very forcefully that the city of Hot Springs was then facing a financial crisis. He pointed out that the city treasury would suffer a loss of approximately \$1,800 a month if these gambling places remained closed. To further carry out this pretext apparently designed to distract from the public's attention that the closing of the gambling places in Hot Springs, was, in fact, his loss, he mentioned that the only solution he could see to make up this loss, was a decrease in the city payroll or an increase in occupation taxes, both of which he indicated, were objectionable to him, but necessary in this case. To further hold the sympathy of the people in his favor, and to divert their attention from the existing lawlessness in the city, he pointed out that all city employees were at present working under a 20% reduction in salary, and any further reduction would make it impossible for them to provide the necessities of life for their families. To add to this, the Mayor said, "The people of Hot Springs are already tax burdened, and the closing of the town at this time will serve as a severe blow to everyone engaged in any kind of business."

As a result of the telephone surveillance in Hot Springs for the past five months, definite information was obtained that W. S. Jacobs is head of the gambling syndicate in Hot Springs, and that he is influenced, controlled and directed by Mayor McLaughlin, not as an attorney, but as a sinister adviser. Telephone conversations which will be hereinafter quoted, will show that Mayor McLaughlin, from time to time, instructed Jacobs to cease gambling operations when things became "hot" as a result of the activities of the State administration, and with the same understanding and fraternal spirit, advised him to re-open when things "cooled off".

Municipal Judge Verne S. Ledgerwood, City Attorney A. T. "Sonny" Davies, Circuit Judge Earl Witt and Sheriff Marion Anderson, as these conversations will reveal, are also part of the illicit

relationship between Jacobs and the administration. The Hot Springs Police Department, acting probably under the instructions of the Mayor, saw to it, and afterwards protected the gambling operations in Hot Springs in the way of "tip-offs" of raids when advance information concerning raids was received by them. The sections of this report disclosing the raids of January 15 and 29, 1937, vividly reflect this manner of protection. It was also observed during the past five months that not only are police officials aware of the wide spread gambling which goes on in Hot Springs, but that ordinary police officers visit gambling places habitually, report to headquarters from gambling houses, and in general make such places their headquarters of operation when on official duty.

The telephone taps further revealed that the Hot Springs newspapers, of which C. E. Palmer is publisher, and Walter Ebel, one of the reporters, are part of this corrupt set-up in Hot Springs, which makes it possible for W. S. Jacobs to control and direct gambling operations in that town. The legislative inquiry brought out the fact that Jacobs pays Walter Ebel a gratuity of \$25.00 per week to, as Mr. Ebel put it, give favorable publicity to the city. To further reflect the press' part in the encouragement of the perpetuation of lawlessness in Hot Springs, and will be hereinafter set out. Conversations overheard after Governor Bailey's closing of the gambling places in the state, clearly exemplifies C. E. Palmer's efforts and the use of his influence with Governor Carl E. Bailey to permit W. S. Jacobs to re-open his gambling establishments in Hot Springs.

From the telephone taps it was also observed that the prestige and wealth of W. S. Jacobs, obtained as a gambler, because of his illicit alliance with the administration in Hot Springs, he was able to advance this sort of lawlessness to communities in other parts of the country.

When the Bureau agents arrived in Hot Springs in November, 1936, to begin their investigation to determine any and all persons responsible for having harbored Alvin Karpis and Harry Campbell while they resided in Hot Springs during the year 1935, and conditions existing there which made it possible for them to safely live there without fear of apprehension, it was observed that the following places were engaged in wide open gambling; up until January 29, 1937:

<u>TRADE NAME</u>	<u>OWNERS & MANAGERS</u>
Belvedere Club, Little Rock Highway	W. S. Jacobs, owner Otis McGraw, Manager
Southern Club, 248 Central Avenue	W. S. Jacobs, Owner Roscoe Johnson, Mgr. (Gambling) Jimmie Phillips, Mgr. (Grill)

Ohio Club, 536 Central Avenue	W. S. Jacobs Tink Young, Mgr.
Miller's Cigar Store 524 Central Avenue	Bill Miller Herb "Jock" Wheatley W. S. Jacobs
White Front Club 310 Central Avenue	Matt Picchi Tony Carson
Kentucky Club 314 Central Avenue	George Ryan (deceased) Louie Bloom W. S. Jacobs
Millsaps Place 408 Central Avenue	R. L. Millsaps Ed Chase
Tango Parlor 300 Block, Central Avenue	Ed Spears
Chicago Club 726½ Central Avenue	Fred Nickels George McLaughlin Norwood Phillips
Blue Ribbon Bar 732½ Central Avenue	Lewis Larson Gordon Henderson
Citizens Sporting Results 740 Central Avenue	Ben Harrison Lee Milt
Keystone Bar 406 Central Avenue	Jack Fry
Hot Springs Recreation Parlor C. J. Spencer 801 Central Avenue	

The Southern, Belvedere and Ohio Clubs are known to be owned and operated by W. S. Jacobs.

This wide open and rampant gambling continued in Hot Springs without interference by the local police and the administration at large until January 29, 1937, when the State Revenue Agents closed all such places and confiscated approximately \$15,000 worth of gambling paraphenalia, which was subsequently burned at Little Rock, Arkansas. Prior to that time considerable activity was had by McLaughlin and

his allies in the attempt to obstruct a legislative investigation which was intended to clean up the city of Hot Springs. This activity and its results is being sufficiently set out in another portion of this report, under the heading, "Legislative Investigation of Hot Springs".

During the course of the legislative investigation, which to some extent was directed against the notorious gambling operations in Hot Springs, it was noted that Mayor McLaughlin was in almost daily contact with W. S. Jacobs, reporting to him the activities and findings of the committee as he got them from Carroll Hollingsworth. The manner in which Carroll Hollingsworth, Parliamentarian of the House of Representatives, was employed in the interest of the administration was never disclosed over the telephone. However, on January 29, 1937 there was heard over the Mayor's telephone, two calls which suggested a possible bribe to him by Jacobs. At 9:18 A.M. on January 27, 1937, which was a Wednesday, Hollingsworth telephoned McLaughlin and reported to him the activities of the legislative committee of the preceding day. At the conclusion of this lengthy conversation McLaughlin said,

"I'll send you a letter this week-end by registered mail, so it won't get lost."

The above quotation did not appear to be related to any matter that was discussed between these two individuals at this time. On the next day, McLaughlin telephoned W. S. Jacobs at 9:00 A.M., and the following conversation was overheard:

Mayor: What time this afternoon are you going to be at the club? I want to get this thing in the mail by tomorrow. (Friday)

Jacobs: O.K. I haven't that much on hand now.....

Very little information reflecting upon the illicit relationship between Mayor McLaughlin and W. S. Jacobs was secured until February 5, 1937, when the Bureau established a tap on Jacobs' home telephone. Prior to this time, and during the course of the legislative investigation, the conversations overheard over the Mayor's and police telephones merely showed in a general way the protection afforded W. S. Jacobs' gambling operations by the Mayor and the Hot Springs Police Department as a whole. However, after the tap on W. S. Jacobs' telephone was placed into operation, a truly rare picture of this situation was revealed. For example, we find in the two following conversations, this man, who is reported to be the most notorious gambler in the Southwest, talking to the Mayor and the Municipal Judge, with mutual interests, the merits of certain testimony which was heard that morning before the legislative committee,

which was intended to put an end to the lawlessness in Hot Springs,
were discussed:

12:05 A.M., Feb. 9, 1937, incoming on No. 2115

B.M.S.

Jacobs: Hello.
McLaughlin: Jake, this is Leo. It looks like his testimony was
all right. He's out now.
Jacobs: Did he say anything to hurt the "old man"?
McLaughlin: No, he didn't. But Sid Hauff (Haupt) is up now.
Jacobs: Does it look like he's gonna be bad? Dutch Akers
said he thought he would testify against Judge Witt.
McLaughlin: Yes, it looks like he is gonna be bad. He said Judge
Witt had been out there to the Club. (Belvedere).
Jacobs: Do you think he has?
McLaughlin: Naw. I don't think so, but it looks bad. There'll be
a streamer out at one o'clock about it. Want me to
call you back?
Jacobs: No. I'm going to bed now.
McLaughlin: I hated to bother you, but I knew you were interested.
Jacobs: Oh, that's all right, I'm glad you did. Has Archer
(Ledgerwood) been on the stand yet?
McLaughlin: No, he's waiting to testify now.

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11:08 A.M., Feb. 9, 1937, outgoing on No. 2115 B.M.S.

Jacobs: Called 743 (Office of Judge Vern S. Ledgerwood)
Judge: Hello.
Jacobs: Hello, Judge, listen if that boy needs any more
money before he gets out, let him have it and
I'll pay you back.
Judge: All right, I'll do that.
Jacobs: Thanks.
Judge: You know our mutual friend we were afraid of. Well,
he was pretty good. His testimony was all right.
Jacobs: I heard that.
Judge: Well, I think he wanted to say something, but just
didn't have the "guts". I just left him a few
minutes ago. He's all right.
Jacobs: I think probably he went back in a room and had a
little drink before he was called in. It worked fine.
Judge: Yeah. Well, I'll see you later.
Jacobs: OK, Judge.

To show that this corrupt relationship with W. S. Jacobs is
not limited to Mayor McLaughlin and the city judiciary, we find in the
following conversation, the Chief of Detectives, Herbert Akers, about to
make a social call on this man at his home:

9:15 P.M., Feb. 9, 1937, incoming on No. 2115 J.M.J.

Jacobs: Hello.
Dutch: Hello - Dutch, Are you busy?
Jacobs: No, Why?
Dutch: I thought if you were by yourself, I'd drive by.
Jacobs: Not doing anything - just resting, but I'll get up.
Dutch: Don't bother. I don't have anything on my mind -
just thought I'd drive by.
Jacobs: That's alright. Come ahead,
Dutch: O.K.

To further illustrate this close alliance of W. S. Jacobs with the city administration, and the integral part that the local press plays in this vicious circle of corruption at Hot Springs, the following conversation between W. S. Jacobs and Mayor McLaughlin is quoted, with particular reference being made to that portion relating to Walter Ebel, reporter for the Hot Springs New Era newspaper:

8:25 P.M., Feb. 11, 1937, incoming on No. 2115 B.M.S.
Mayor:Have you heard anything?
Jacobs: Yeah. Have you?
Mayor: Yeah. Some folks went over tonight that I've been wanting to go.
Jacobs: Yeah, and some folks went over to the other side today.
Mayor: So I heard.
Jacobs: You know this fellow Ebel, I was just gettin first hand dope from him when you called. I don't want my lack of education to get this information mixed up, let me get it straight from Ebel. (He called Ebel and asked him to tell the party on the other end of the wire what happened this morning.) Well, this Wilson woman was testifying and they said her testimony was hearsay evidence gathered from friends, and unless she had direct evidence to get off the stand.
Jacobs: Did you hear what Ebel said?
Mayor: Yeah, she's just an old country woman.
Jacobs: Ebel tells me Ray Vantire (phonetic) and some others have gone over tonight.
Mayor: Yeah, I told "Jim" to sit in and listen to everything.
Jacobs: How about that other thing. Did you do that today?
You mean Verne? (phonetic) Yeah, we gave him the one, two three today. He's all right now. What was that some friend told you?

Mayor: Some friends told me about Taylor. He wanted Hinsey (phonetic) Means and Witt impeached.
Jacobs: He's a damn fool.
Mayor: Yeah. I heard a lot of them were playing both sides.
Watt is playing both sides, I was talking to him today. He says that over at the Gazette today when Bailey walked in they were all for Bailey. That's natural I reckon, but the folks over in Little Rock are getting God damn disgusted with the committee. They are beginning to see that the whole thing is just a political battle between the "outs" and the "ins".
Jacobs: I'm glad those folks went over there tonight.
Mayor: It's perfect, damn 'em. They're in the middle of the pot now, and boiling like Hell.
Jacobs: Yeah, and Ebel says Walter Boys (phonetic) over at the Gazette said Wells was the whole show, said Smith and Wells went over but Wood side stepped.
Mayor: Personally I think they are all God damn anxious to find out why you and I are such good friends, they've been trying to figure it out for 15 years. They can't figure how you are my friend if I'm not tied up in gambling.
Jacobs: They're crazy. By the way, two of the boys came up to the Ohio today and ask if we were booking horses there, they told 'em "No." Then they said that they better get them two wheels out.
Mayor: Well, that's all right, I'll see about that later.
Jacobs: Well, I'll see you later.
Mayor: All right.

The magnitude of Jacobs's gambling interests is well reflected in a call at 11:45 A.M. on February 12, 1937, wherein Jacobs talked to some man relative to the computation of income tax. Jacobs mentioned that they have to pay the Government two per cent on all money paid out, including salaries, whereupon this man said that the salaries amounted to \$42,376.00, which he thought was a lot of money. To this Jacobs said, "Yeah, the other will run it up some more. Before you get it all up and turn it in, let me see it and see if we can't cut it a little."

To illustrate the point hereinbefore mentioned, that McLaughlin would, from time to time, advise Jacobs to cease gambling operations when things became "hot", and likewise inform him to re-open when things in the town "cooled off", a number of conversations reflecting this situation are being set out hereafter. In the case below, Judge Witt,

who around this time was on the fringe of being impeached by the State legislature, and apparently acting under this pressure on him, on February 12, 1937, ordered the arrest of all bookmakers operating openly in his district. The following call between Mayor McLaughlin and W. S. Jacobs probably relates to Judge Witt's action:

9:25 A.M., Feb. 13, 1937, incoming on No. 2115 B.M.S.

Jacobs: Hello.
Mayor: Earl (Judge Earl Witt) just called me and said they arrested all the boys that were booking yesterday. I reckon we better stop all booking until this thing is over.
Jacobs: All rightie, thanks.
Mayor: All right.

Immediately thereafter W. S. Jacobs telephoned the Ohio and Southern Clubs, and instructed them to stop booking horses in the clubs for a while. In talking with Boscoe Johnson, Manager of the Southern Club, Jacobs was heard to say:

"They called and said the Judge told him we'd better quit booking the horses today. If you see any bets though, take 'em down the street or across to the hotel. Don't pass 'em up."

The above quotation suggests the possibility that the Judiciary of Garland County is involved in this system of protection afforded to W. S. Jacobs' gambling interests. To further illustrate that Judge Witt is probably influenced by the administration of Hot Springs, Jacobs was overheard to say to an employee of a gambling equipment firm in Detroit, Michigan, who inquired whether matters were straightening out in Hot Springs --

"Well I think they will. They are trying to impeach our men, but I don't think they will."

Gambling in Hot Springs appeared to be at a standstill from January 29, 1937 until March 11, 1937, when the State legislature adjourned. Prior thereto, in a conversation between Mayor McLaughlin and W. S. Jacobs on March 6, 1937, Jacobs asked whether it would be safe to "sneak" a few bets. To this McLaughlin replied, "No, I think he (probably Judge Witt) wants you to stay quiet a few more days anyhow."

The State legislature adjourned at 12:00 Noon on March 11, 1937, and 13 minutes later, Mayor McLaughlin telephoned W. S. Jacobs and told him that it would be all right to re-open all gambling places that night. Immediately thereafter Jacobs called the Southern Club, Ohio Club, and the Club Belvedere and instructed them to prepare things to be ready to open that night. A few minutes after the call at 12:13 P.M. with W. S. Jacobs, McLaughlin again called and indicated this time that Judge Witt was strongly opposed to any handbooks and gambling being operated on the street floors, and in this connection cautioned Jacobs to be careful and not take any chances. Following this word of caution, the conversation set out below took place:

Jacobs: Well, we're not going to do anything downstairs,
Mayor: Just so you stay upstairs. Have you made a deal
with the Kentucky yet?
Jacobs: No. I was waiting to see Mattar. He claims
Ryan (deceased) owed him back rent.....
We're opening the Ohio, Southern and Belvedere
tonight.
Mayor: This fellow will be over here in the morning. I
want to get six hundred from you for him.....

The reference to the Kentucky probably refers to the Kentucky Club, a gambling place in Hot Springs which W. S. Jacobs is contemplating opening. The identity of "that fellow" to whom McLaughlin expected to deliver six hundred is probably Carroll Hollingsworth, for his activities in killing a bill aimed at the administration in Hot Springs.

To substantiate the legislative committee's findings, that relatives of officials of Garland County and Hot Springs are employed and on the payroll of W. S. Jacobs, the following two conversations are set out which involve the relatives of Chief of Detectives Herbert Akers and Circuit Judge Earl Witt, and City Attorney A. T. "Sonny" Davies:

Akers:Is what I hear so?
Jacobs: You mean about our opening up? Yes, we're going to
open a little tonight.
Akers: Did you hear from my wife?
Jacobs: No, she may have got in touch with Otis. (Manager of
gambling at Club Belvedere.)

* * *

11:15 A.M., Mar. 12, 1937, incoming on No. 2115

J.M.J.

Roscoe: Did he tell you what he wants?
Jacobs: No.
Roscoe: Well, they want the Witt (or Wood) boy to go back to
work, and Ruth.
Jacobs: Who?

Roscoe: Ruth - Sonny's wife.
Jacobs: Well, OK, I guess.
Roscoe: Who's going to open up this afternoon?
Jacobs: We are not going to open till seven tonight.
Roscoe: Do you want to put the boy shilling?
Jacobs: I don't think he will shill - you better just let him hang around watching.
Roscoe: How about the girl?
Jacobs: I don't know - there's no room around the tables yet - just keep her around.
Roscoe: Would you want them at the Belvedere?
Jacobs: No, I don't want them around there.
Roscoe: OK. Did they tell you how they made out last night?
Jacobs: No.
Roscoe: I don't know, but they were way down. I gave them \$1000. then I borrowed \$2000 from Louis and 500 from another fellow.
Jacobs: The house lost then I guess - I gave them \$10,000.00 in cash in the afternoon.
Roscoe: I don't think they went into that - let you know how things were later.
Jacobs: Did he (Mayor McLaughlin) say anything about the \$2 bets?
Roscoe: No - guess we go along the same as ever.
Jacobs: Yes. Call the races - but not loud.

The following police officers and relatives of city officials are also known to have been employed and on the payroll of W. S. Jacobs:

L. A. "Arch" Cooper, Captain of Police (former)
Robert L. "Bob" Moore, Captain of Police (former)
Jerry "Swede" Watkins, Day Captain of Police
T. G. "Curley" Evans, Patrolman
Garnett Moore, Detective
Glenn Buchanan, former Detective
Cecil Brock, former Lieutenant of Police
Pete Gross, Deputy Sheriff, Garland County
Jack McJunkins, Captain, Central Fire Station
Tex Rutherford, City Fireman
Buddy Wakelin, son of Joseph Wakelin, former Chief of Police
Archie Ledgerwood, brother of Judge Verne Ledgerwood
Percy A. Witt, uncle of Circuit Judge Earl Witt.

To definitely prove all previous assertions that McLaughlin is mutually interested in the gambling operations of W. S. Jacobs, and that he is part of this syndicate, the following portions of a conversation between Mayor McLaughlin and W. S. Jacobs, made the day following the resumption of gambling in Hot Springs on March 11, is set forth:

Jacobs:Had a big loss today, six thousand downtown
(Southern Club), two thousand in the country
(Belvedere). We haven't many tools yet, so
we've got to run 'um right.

Mayor: Yeah, you'll be all right in a few days, plenty of
business around.....

Jacobs:We'll get straightened out in a few days.

It might be stated that up to this time, not much evidence was overheard indicating that Marion Anderson, Sheriff of Garland County, is also a part of this corrupt set-up in Hot Springs and Garland County. Marion Anderson, for many years, served as a deputy sheriff under numerous sheriffs endorsed by the administration. However, in the State election last fall, Anderson was pushed to the front by the administration, and easily won the election as sheriff, polling a large majority over his nearest opponent. On March 13, 1937, after considerable publicity was given to the reopening of gambling in Hot Springs, the Arkansas State Rangers proceeded to this resort and notified the operators of gambling houses there that unless they closed down immediately, a raid would be conducted upon them. To show the reaction of this official order, and to bring to light the fact that Sheriff Anderson is a part of the alliance in Hot Springs which protects the gambling interests of W. S. Jacobs, the following series of conversations is set forth:

At 3:19 P.M., on March 13, 1937, Otho Phillips, Manager of the Belvedere Club, called W. S. Jacobs and said the Rangers were in town and closing up everything but not taking any furniture; that Marion had called and said to close everything down. Jacobs replied that he would see what there was to it, and immediately telephoned Roscoe Johnson at the Southern Club, and asked him if anybody had been there to close him up. Johnson replied, "No....Want me to call Marion?"

Jacobs advised him not to, and a few minutes later he telephoned the Sheriff's office, and in the absence of Sheriff Anderson, Jacobs talked with Deputy Sheriff Pete Gross, the conversation being as follows:

Jacobs: Any new orders?

Gross: Yes. Tried but couldn't reach you. They will be up there in a few minutes. Just got a call from Marion at the track. He told me to tell you to close everything.

Jacobs: Did he mean everything, or just down stairs?

Gross: Everything.

Immediately after the above call Jacobs again telephoned Roscoe Johnson at the Southern Club, and said -

"I just talked to Pete. Marion phoned and said to close everything up. Orders from Little Rock, I guess."

Probably desiring to know the reason and origin of this recent order to close, Jacobs later called Mayor McLaughlin, and the following conversation took place:

Mayor: They reported that the bookies were cutting the "take" in two at the race track. Have you been taking any bets?
Jacobs: No, not one. (A falsehood)
Mayor: I was talking to the Comptroller..... It was said that they were against all organized gambling.....
Jacobs: We won't open until we get further word. You'll call me soon as you hear?
Mayor: Yes. They said that during the races, the "books" shouldn't be open.....

Even though McLaughlin has apparently pledged his efforts to the best interests of W. S. Jacobs, it will be noted that Jacobs' greed and desire to earn money illegally, prompts him to double-cross his friend, advisor and protector. To illustrate this breach of faith, the following conversation between W. S. Jacobs and Roscoe Johnson, Manager of the Southern Club, is set forth, it having been made shortly after Jacobs' above quoted conversation with the Mayor:

Jacobs: Just talked to the Kingfish. He said we cut the take in two at the track yesterday.
Roscoe: (Laughs) What about it?
Jacobs: It cut the State's share. He said to close everything - the Belvedere and Southern.
Roscoe: Guess we'll have to sneak again.
Jacobs: If you can grab anything, take it. But don't let them upstairs.
Roscoe: O.K.

The following two conversations definitely reveal a true picture of Mayor McLaughlin's part and activities as a representative of W. S. Jacobs' gambling interests and his efforts toward the revival of gambling operations in Hot Springs:

5:27 P.M., Mar. 13, 1937, incoming on No. 2115 D.P.S.

Tink Young: "Tink. Hear anything?"
Jacobs: Got orders not to do anything especially on the Southern and Belvedere. I was talking to the Kingfish, and he said not to do anything until he got over there.

Tink Young: Think we can "sneak" a little crap?
Jacobs: I don't know about that. He sounded pretty sore.
They said it cut the "Take" in half at the
track yesterday.
Tink Young: They're exaggerating. That sounds like some of
Ed Farris' stuff.
Jacobs: They forgot that yesterday was a rainy day.
Young: He ought to be able to find the low down on it.
Jacobs: He's got it. He told them fellows over there that
we haven't been taking any bets. I told him when
we were talking about re-opening that they ought
to keep the books closed for a month. If fellows
like Martin or Farris get anything it's like striking
a match. He's trying to get connected, but Saturday
night it's hard. Persons are out on parties and
everything. I'll try to get hold of him and Marion
(Anderson). Understand, not so many at the races.
Young: Heard there were 8,000. That ought to be enough.
Jacobs: I think I will go home for dinner.
Young: Alright, Tink.

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7:15 P.M., Mar. 13, 1937, incoming on No. 2118 B.M.S.

Leo: Hello.
Man: Lemme talk to Jake.
Leo: Jake is in bed sick, this is Leo.
Man: That's fine, I was gonna ask Jake what you had
found out.
Leo: Well, I talked to Grady Manning and his idea of this
thing is that the books were interfering with the
State tax. The take is not what it should be.
The handle dropped off 50% and they blame the books
for it and there is some justification to this.
But Belvedere just got caught in the rush. He
thinks the fellows from Little Rock did not intend
to touch Belvedere - it was an after thought. We
should get it ironed out by Tuesday.
Man: OK, thanks a lot Leo.

A week after the Arkansas State Rangers "put the lid" on
gambling operations in Hot Springs, and apparently getting no satis-
faction from Mayor McLaughlin as to when he would be permitted to
re-open, Jacobs, feeling that he was getting a "run around", took
upon himself to call Municipal Judge Verne S. Ledgerwood on March
19, 1937 to express his sentiments in the matter. His conversation
with the Mayor is as follows:

11:01 A.M., Mar. 19, 1937, outgoing on No. 2115 D.P.B.

Jacobs: Hello - Judge?

Ledgerwood: Yes.

Jacobs: This is Jacobs. I've got something on my chest. I figure that Bailey (Governor) is mad at Sunny (Davies) and Leo (McLaughlin). Now "Ham" (Hamilton Moses) is really Robinson's (U.S. Senator Joe T. Robinson) spokesman, and I think they are all Robinson men, don't you?

Ledgerwood: Yes, I think so.

Jacobs: They don't like Leo (McLaughlin), but Moses will do anything for Sunny (Davies). I figure to send Sunny over there and talk with Moses and get things straightened. Don't say anything to Leo about this, but he goes over but its not so good.

Ledgerwood: I've got some irons in the fire today and tomorrow.

Jacobs: Then we'll work on it. We ought to send Sunny over there and keep Leo away from there. He keeps going over there and they don't like him. Now my doctor, Dr. Smith, told me he is a friend of Moses and offered his assistance, but nothing was done. Get Sunny to go over there and see Moses and get in touch with Bailey and the rest, and he can set Leo in. You know I believe that "Hardin" and "Beavers" are trying to muscle in over here.

Ledgerwood: I think there is something in what you say, and we may be able to work it.

It is interesting to note that the Robinson, referred to above, is probably Joe T. Robinson, Senior United States Senator from Arkansas, and that the person referred to as "Ham" is probably Hamilton Moses, former law partner of Senator Robinson, and recently a likely candidate for the Federal Judgeship of the Eastern District of Arkansas.

Prior to the above call W. S. Jacobs was overheard to say to some unknown man, who probably was one of his managers, "I talked to a fellow and he told me to keep closed. I don't know whether they are giving me the run around or not. Heard I could go over to Little Rock and see a fellow and get straightened out right away, but you know I got to go along with them here. When this man asked whether it would be all right to continue secret gambling that night, Jacobs replied, "Yes, I guess that's alright. The least they can do will be to let us know ahead of time."

To bring to light the prominent part played by the local press in this corrupt set-up in Hot Springs, and to disclose its contribution toward the encouragement in the perpetuation of lawlessness in this resort city, instead of bringing pressure to bear to have the situation rectified, the conversations hereinafter set forth definitely reveal the participation of S. E. Palmer, publisher of the Hot Springs daily newspapers, and who/18 reported likewise owns and operates a newspaper in Texarkana, Arkansas, where he appears to reside. During the five months of telephone surveillance at Hot Springs it was noted that the local press at all times favored the present corrupt administration in this city, and in several instances, at the instance and upon the advice of Mayor McLaughlin, they publicly denounced and criticized the element endeavoring to make Hot Springs a law abiding city. Numerous conversations were overheard which definitely reflect the above indicated situation.

There were also recorded several telephone conversations over this five month period of telephone surveillance, which McLaughlin had with C. E. Palmer, but the true part played by this man in the perpetuation of lawlessness in Hot Springs was not brought to light until March 19, 1937, when McLaughlin talked with W. M. Jacobs after he apparently received a call from C. E. Palmer over the telephone at the race track, which conversation was not overheard. McLaughlin's conversation with Jacobs, was as follows:

Mayor: Hello Jake, that place out in the country and the one upstairs - it's all right to open them up tonight, but you must do it quietly.
Jacobs: How long can we keep them open?
Mayor: Try tonight only - I'll find out about it tomorrow night. I'm trying to make a compromise with them.
Jacobs: OK, I'll get them started at the Belvedere and the Southern.
Mayor: You must stop taking horse race bets though. I understand you've been "sneaking" bets at the Southern and Ohio. You've got to quit, at least until the racing season is over. Regardless of where the horses are running, they'll accuse you of taking bets on the races in town - that brings more heat on the place than anything.
Jacobs: O.K. I'll tell them to stop right away. We made \$800 yesterday.
Mayor: That's good, but you'll have to stop until after the races are over.
Jacobs: All rightie.
Mayor: I'll try and see you later.

The above call is just further evidence of Mayor McLaughlin's

dictatorial power in regard to the gambling situation in Hot Springs. Immediately after talking with McLaughlin, as set out above, Jacobs then set into motion the necessary preparations to have his places open for business that night, and the calls in this regard reveal that two hours after Mayor McLaughlin authorized the resumption of gambling, the managers of the Belvedere, Ohio and Southern Clubs already had reported to him that they were open and ready for business.

When McLaughlin made his usual nightly call to Jacobs that evening (March 19, 1937), the Mayor asked him what he had been doing since he talked with him at 4:15. Jacobs replied,

"Getting the fellows set to open all three places tonight at seven p.m."

Thereafter the Mayor said,

"I'm going to have those fellows down tomorrow. You must tell your boys not to do anything about those books."

On the following day the telephone taps revealed that C. E. Palmer visited Hot Springs, and at 10:47 A.M. telephoned the Mayor's office and requested that the Mayor come by the newspaper office, at his convenience. An hour later McLaughlin telephoned W. S. Jacobs and said,

"I just called to tell you that the man that went over yonder for us did alright. In fact it was very satisfactory..... I'll tell you more about it when I am closer to you....."

That evening at 6:55 P.M., (Mar. 20, 1937), the Mayor again called W. S. Jacobs and said,

"I had a long talk with Palmer today and he said he had a long talk with "the man" about this down here....."

It was later determined that the man referred to in the above quotation is Governor Carl E. Bailey.

The following day, March 21, 1937, Mayor McLaughlin again telephoned W. S. Jacobs, and after a lengthy discussion about the reaction of the people as a whole in Hot Springs to the resumption of gambling, the Mayor said,

"I think we better have that ready tomorrow - you know to take care of those fellows."

to which Jacobs replied,

"I'll have it ready for you tonight."

That evening Mayor McLaughlin telephoned C. E. Palmer at the New Era newspaper office from the home of W. S. Jacobs. He was informed that Palmer was in Texarkana, but would be in the following evening. Thereafter the Mayor attempted to reach Palmer at his residence at Texarkana, but without success.

While McLaughlin was apparently still at the home of W. S. Jacobs, the latter called Tink Young at the Ohio Club at 7:45 P.M., and said in a very low tone of voice -

Jacobs: They'll need 400 tonight.

Young: I'll send it up.

Jacobs: Might need another hundred or so tomorrow night.

Young: O.K.

After two nights of protected and authorized gambling in the casinos of W. S. Jacobs in Hot Springs, the Arkansas Gazette newspaper, Little Rock, Ark., printed a frontpage news article on the morning of March 22, 1937, commenting on the resumption of gambling in Hot Springs, and inasmuch as this news article appears to reflect the true circumstances under which gambling was revived, portions of the same are being set out below:

Dice Click, Roulette Wheels
Spin and Big Party Resumes
Activities at Hot Springs

Dice were clicking, the roulette wheels spinning and everything was o. k. at Hot Springs' gambling casinos Saturday night, the activity having been resumed after a month's "breathing spell", which followed spectacular raids by state officers.....

Under an unofficial agreement with state officials the illegal bookmaking on horse races isn't being permitted. There is a reason. When the books aren't in operation downtown the folks who want to make horse race bets have to go to the Oaklawn track to do their betting. And when they do the State gets four per cent of what they bet.....

Whether the high state officials have given tacit permission for resumption of gambling activities could not be learned. There are numerous state rangers and other state officials at Hot Springs, but whether they intended to again raid gambling centers could not be learned.

According to word received from Hot Springs, gambling house operators got word they could reopen "because of an agreement with Little Rock."

It appears that the above news article was intended as a thrust against Governor Carl E. Bailey, and he, probably also sensing this thrust, and fearing that further like newspaper publicity might jeopardize his position as Governor of the State, Bailey came out with an ultimatum on March 22, 1937, ordering all gambling places in the State closed, stating that he will exercise his authority and the law enforcement facilities at his command to see that these places remained closed.

In order to set forth a more intimate aspect of the above circumstances, and to definitely reveal that C. E. Palmer was the intermediary between the administration and Governor Carl E. Bailey in this latest venture, the following conversation between Mayor Leo P. McLaughlin and W. S. Jacobs is quoted:

3:25 P.M., March 22, 1937, incoming on No. 2115 J.L.M.

Mayor: I just talked with Palmer - he said that the Governor called and told him that we had better close down here until after the races.

Jacobs: You mean close down everything?

Mayor: Yeah, I don't believe anything can be done until after the races.

Jacobs: Then you think we better close tonight?

Mayor: Yeah, it would be best. He said that there's a lot of fire down here because of the newspaper story in the Gazette yesterday.

Jacobs: You suppose this is for good?

Mayor: I think so, although they said it is just until the racing meet is over. I think they're stalling in this thing - he said the Governor told him that these places are keeping the money away from the race track, and also that there are a lot of State Rangers in town while the racing is on, and that they had orders to see that these places remain closed.

Jacobs: They haven't been around to bother us.

Mayor: I know, but that's what he said. Palmer said he will be here tomorrow - that they got him (Governor) "ribbed" about this thing down here.

Jacobs: Then you think we ought to close tonight?
Mayor: Yeah, he said the best thing not to open tonight;
Jacobs: that it will eventually iron itself out.
Mayor: All rightie.
They've also got to get to this fellow Alban
(or Auburn) before they go do anything.
Jacobs: Uh - uh.
Mayor: Well, I'll see you tonight, and we'll talk it over.

With reference to the person referred to as Alban in the above call, it was determined that this individual is identical with Hendrix Alphin, the present Commissioner of the State Highway Department. Subsequent calls definitely disclosed that Alphin and Palmer were mutually concerned in exercising their influence over Governor Carl E. Bailey in an effort to secure his permission for W. S. Jacobs to reopen his gambling centers in Hot Springs. Of course, this endeavor was promulgated and directed by McLaughlin, as can be seen from the following conversation, which gives a very good picture of this set-up:

10:20 A.M., Apr. 12, 1937, Incoming on No. 648 H.A.S.

Operator: Reported ready with call to Highway Commissioner,
who would talk from El Dorado, Ark.
Alphin: Hello.
McLaughlin: Hendrix, will you be able to see our friend (probably
Governor) soon for us?
Alphin: I think so, Leo.
McLaughlin: Well, we got in touch with Palmer and he will be
glad to go with us when you arrange things. Can
you do it Tuesday or Wednesday?
Alphin: Not hardly then, Leo. I'm down home now, and
won't get back up there until later in the week
(Little Rock?). I'll see him then, though, and
let you know.
McLaughlin: That's fine - when you arrange it let me know.
(lowered voice) and when you do arrange it make
it out at his home - at night - will you?
Alphin: All right, Leo.
McLaughlin: Verne (Ledgerwood) was here and sends regards.

On the night of March 21, 1937, when open gambling was temporarily resumed in Hot Springs, presumably under an unofficial agreement with State officials, a series of telephone conversations were overheard which definitely linked Mayor McLaughlin, Sheriff Marion Anderson and Circuit Judge Earl Witt in the so-called system

of protection afforded to Jacobs' gambling interests, which has hereinbefore so frequently referred to. This episode began with a telephone call from Tink Young of the Ohio Club to W. S. Jacobs, at 8:25 P.M., March 21, 1937:

Tink: Mr. Jacobs, Tink Young. Marion Anderson just came up, said Witt had a special delivery letter at his home, that there was a crap game going on upstairs. I told him there was so he didn't look around. What must I do?

Jacobs: I'll try to connect.

Immediately thereafter Jacobs called Mayor McLaughlin at his home, and said,

Jacobs: Matzisname just called and said Marion came up, said Witt sent him, he talked to Tink, said he was told to look around but he didn't go upstairs.

Leo: Where's Marion? Get hold of him and ask him to call me and I'll tell him how thing stand.

For several minutes thereafter Jacobs attempted to contact Marion Anderson over the telephone, but without success. However, Anderson came to the home of W. S. Jacobs, and at 8:45 P.M. Anderson placed a call to Mayor McLaughlin from the home of W. S. Jacobs, and engaged in the following conversation:

Marion: 600 (Leo McLaughlin's residence).

Leo: Hello.

Marion: You want me?

Leo: Yes. I was up at Jake's house about an hour ago making arrangements. I heard you had been down looking around at the Ohio.

Marion: Yeah. This fellow (Witt) met me on the street a little while ago, he said he had been looking for me quite a while, that he had a special delivery letter at home saying there was a crap game going on upstairs in the Ohio. He told me to go down there and look around. I did, and called him back. When I told him what I found he told me to go back down there and tell 'um to be in Court in the morning, so I did.

Leo: Well, I'd better call him cause he (?) told me to look out for them.

Marion: Yeah, you better call him right now, he's at home now. I just finished talking to him.

Seven minutes later, at 8:52 P.M., Mayor McLaughlin called W. S. Jacobs and reported the results of the conference he had with Judge Witt relative to this matter, as follows:

Leo: I talked to him (Witt). It's all right.
Jacobs: Good.
Leo: He just didn't know how it was. I explained everything to him just like I did to you. I told him that that was that 15th agreement, the same situation as we had at Miller's you know, just a matter of moving upstairs. I told him it was going to be fixed. I told him that he(?) told me to make my arrangements by Monday and I was doing that.
Jacobs: Will they have to come down to court now? Marion cited them.
Leo: Oh no, not now.
Jacobs: Marion is here now.
Leo: Lemme talk to Marion.
Marion: Hello.
Leo: Everything's all right now, he just did not understand how things were. I explained everything and it's OK.
Marion: All right.

After the above call W. S. Jacobs telephoned the Ohio Club and said to Tink Young:

"You needn't go over there in the morning.... It's all right now - just go ahead.... You needn't send nobody over. (to court)."

It is not unreasonable to presume that in order for a city to tolerate and allow wide open gambling in a State where it is declared illegal, that there must be a pay-off somewhere. In Hot Springs, where open gambling has been rampant for many years, the man who appears to be directly responsible for this existing situation is Mayor Leo B. McLaughlin. In one instance he admitted over the telephone that he has been friendly and associated with W. S. Jacobs for fifteen years. The five months period of telephone surveillance definitely confirmed this association and relationship. Many calls were made by McLaughlin from the home telephone of W. S. Jacobs, which contained hints of corruption, and it seems to be no secret among employees of W. S. Jacobs that McLaughlin is working in the interests of the gambling operations in the city. Any one of these that will can furnish definite information relative to this situation.

During the five months of telephone surveillance, not one call was received which disclosed or which could be construed as a direct payoff from W. S. Jacobs to Mayor Leo P. McLaughlin. The legislative investigators were unable to find any documentary evidence or other evidence which might reflect a direct payoff to McLaughlin. Nevertheless, it is inconceivable to believe that such a monetary relationship between these two individuals does not exist.

There has been already set out hereinbefore two conversations which strongly indicate a payoff from W. S. Jacobs to Carroll Hollingsworth, Parliamentarian of the House of Representatives, who was in daily contact with the activities of the legislative committee during the progress of their investigation, and which information he reported daily to McLaughlin.

To further show that W. S. Jacobs was at all times ready and willing to pay off to anybody in order that he could continue his illegal operations, and that McLaughlin is the director, advisor, and intermediary in matters of this kind, is well exemplified in the following conversation between the two, which was had the day following the termination of the legislative investigation:

9:46 A.M., Feb. 20, 1937, incoming on No. 2115 B.M.S.

Jacobs: Hello.
Leo: Whatdeyasyay?
Jacobs: Nothing much. What's the news?
Leo: Well, quite a few of the boys were in town last night. Several of them are around here now. You know Monday is a legal holiday. The banks and everything else will be closed, so you better get me three C's up to the house right away. I may not want it, but want to be in a position, you know.
Jacobs: Yeah, is that all you need?
Leo: Yes, I may not need that but in case I do - you know, just like that seven I needed.
Jacobs: I'll get it now, got a boy you can send over?
Leo: Yeah, may be 30 or 40 minutes.
Jacobs: Well, is Washington's Birthday gonna affect the boys over there?
Leo: No, they'll work right on.
Jacobs: How do things look?
Leo: I'm getting things in good shape for you. I'm trying to handle it just like you would want me to.
Jacobs: That's fine. Well, you send one of your boys over.

Another incident reflecting a possible payoff or bribe through or to McLaughlin is revealed in the following two conversations, these having taken place during the progress of the legislative investigation:

11:27 A.M., Feb. 10, 1937, incoming on No. 2115 J.M.J.

Roscoe: Did you want me?
Jacobs: Yes. Have \$750.00 ready. I may come down and get it or have you take it somewhere.
Roscoe: OK.

11:29 A.M., Feb. 10, 1937, incoming on No. 2115 J.M.J.

Mayor: Did you want me?
Jacobs: Yes - are you going to see me tonight?
Mayor: Yes.
Jacobs: OK, that's all.

The logs for this day disclose that Jacobs attempted to call Roscoe Johnson and Mayor McLaughlin several minutes before the above two calls set out, but both were out at the time, and in each instance Jacobs left word for these individuals to call him.

The corrupt conditions in Hot Springs which make it possible for W. S. Jacobs to conduct his illegal operations openly and without fear of the law, has without a doubt gained him so much prestige and wealth that he is looked upon as one of the wealthiest and most influential gamblers in the southwest. To build up a man to this height in the community does not only encourage lawlessness in that town but also makes it possible for him to extend his illegal operations to other communities, thereby creating a chaotic condition as now exists in Hot Springs. For example, it was noted that Bill Hart, who was employed by W. S. Jacobs at the Club Belvedere at the time agents arrived in Hot Springs in November 1936, is now contact man for Jacobs, and is operating a Fairbanks game in Dallas, Texas.

Bernard Machino has been getting free wire service of racing results from Jacobs over a period of several months, making it possible for him to conduct illegal handbook games in Memphis, Tennessee.

Lee Brown, who also was formerly employed by W. S. Jacobs has recently "fixed" the Sheriff and Prosecuting Attorney of a county in Texas, so as to make it possible for him to establish 200 slot machines in that county, operating a handbook, and conducting open gambling without interference by the law. Telephone conversations overheard between Jacobs and Brown regarding this venture reveal that Jacobs has not only been the advisor in this thing, but is also

probably financing the operation. To bring to light some idea as to the customary payoff and the procedure followed in ventures of this kind, the following two conversations between Lee Brown and W. S. Jacobs are set forth:

10:05 P.M., Apr. 1, 1937, incoming on No. 2115 J.L.M.

Jacobs: Hello.
Lee Brown: How are you, Jake, - this is Lee Brown.
Jacobs: Hello Lee.
Lee Brown: I made my trip up to that county and contacted those people. They're in for two years, but they'll be a cinch for four years. I'm making direct contacts with them, not through any third party. Jake, that county is the best in the State (Texas). It can easily take 250 machines. There are six pretty good sized towns, and a lot of small towns. These small towns are right on the highway between Houston and Dallas, and they have places that remain open all night because of the heavy truck traffic through there. It sure looks good to me.
Jacobs: It does?
Lee Brown: I'm contacting these fellows myself, and they're anxious to go. I'm going to the County Seat tomorrow, and I was just wondering what a man can offer them - what is customary?
Jacobs: The usual percentage is 40 - 60.
Lee Brown: No, I mean those fellows in the county.
Jacobs: Oh! Anywhere from 20% to 25% after that (40%) comes off.
Lee Brown: I'm going direct to them. They are the right kind of people and anxious to go. They run the county and are a cinch for 4 years. They guaranteed that they will take care of the Mayors in the County and also the rangers. They want to make money. Five or six people tried to get it before, but they turned them down. Jim was a lot of help to me. Tell them you'll give them 20% of the net, but give them 25% if best.
Lee Brown: We're not to that point yet - we haven't discussed their share. I'm going back tomorrow to settle it off. I told them to give me time for an answer. I wanted to talk to you first. I don't know yet whether they want a percentage or a flat rate per month. Best to give them a percentage - you can't lose that way.
Jacobs: What kind of trade is there mostly?
Lee Brown: There are a lot of cattle farmers in the county and also a lot of railroad terminals. They make a lot and spend it all. Then there's also the "Hot Springs" of Texas there - there are many wells and springs and bath houses, and a lot of people come there to take those baths.

Jacobs: What's the population of the county?
Lee Brown: The voting population is 4500, but there are ten times
of that for slot machine play.
Jacobs: Do they do much cotton farming there?
Lee Brown: Yes, it's right in the black belt - there are a lot of
wealthy farmers in the county. This place is 120
miles out of Houston on the highway between Dallas
and Houston. The machines ought to get a lot of play
from these night truck drivers.
Jacobs: You find out what you can do and what they want.
Lee Brown: I told them I'd give them my answer after I came to
Hot Springs and talked with you.
Jacobs: Even if you go as high as 25%, it would be all right -
but 20% is customary.
Lee Brown: I don't think they expect that much - they don't
know what is customary, and I believe they'll
accept anything I offer within reason. It's a
cinch for 4 years. Mansfield tried to get it, but
they turned him down. I got it mainly from recommen-
dations from you and through the people you know.
Jacobs: How's your other business?
Lee Brown: My business in Houston is not so good - my bank
handled \$600 today, but I did not make any money.
Jacobs: Business is not so good down here either.
Lee Brown: I drove 400 miles yesterday and looked over the whole
county. It sure looks like a good thing. I asked
Bill for time to come to Hot Springs and talk with
you about it. He said all right.
Jacobs: Well, let me know what you'll do.

-0-0-0-

11:35 P.M., Apr. 8, 1937, outgoing on No. 2115 J.L.M.
Jacobs called Lee Brown at the Maitee Hotel,
Houston, Texas.
Lee Brown: Hello.
Jacobs: Got your letter, and I thought I would call you and see
what more you found out.
Lee Brown: I just got back from up there trying to get a spot; that's
hard to get.
Jacobs: Can you get on the ground floor?
Lee Brown: The place I'm thinking of now is a room in a small
country hotel. The place is very small, and I'm
not sure whether I can get what I want. I was
thinking, if I can't get a spot in this hotel, about
renting a residence right outside of town.

Jacobs: That's not so good for booking - it would be best if you could get on the ground in the hotel or near a hotel - a place where there is a lot of business.

Lee Brown: I talked to our friend all afternoon about renting some place on the ground floor, and he'll let me on the ground floor if I put some sort of alibi in the front - a news stand or cigar store.

Jacobs: Yeah, they won't let you run it open like that.

Lee Brown: I had to spend a lot of time around the Court House trying to locate my man. He wants \$25.00 a week more now. He said he can't get on with less than \$125.00; that he had to take care of some people in town.

Jacobs: Well, you can try it that way for a while.

Lee Brown: The other point is all set - they'll let me do whatever I want.

Jacobs: That's good.

Lee Brown: The Hotel man didn't want to talk to me at first, so I went to the court house, and he went over to the hotel with me, and told him I was OK.

Jacobs: How about some other town, if you can't find a spot there?

Lee Brown: Well, Bremond (phonetic) is 18 miles from Marlin - there's nothing there. Then Highbank is just a few miles from there - there's nothing there. I think this is the best spot.

Jacobs: Yeah, I guess so.

Lee Brown: Now, this fellow said he'll give me to the first of August to feel it out - that he'll let me go on \$125.00 a week to that time, and if I can't make a go of it, I can quit and move out. But that if things go along all right by that time, he must have \$250.00 a week.

Jacobs: Well, that's all right - you ought to know by August whether you can pay him \$250.

Lee Brown: I told him this - that we'll either give him \$250 a week by the first of August, or quit.

Jacobs: That's good.

Lee Brown: Everything is all fixed with those fellows all right. I'm not worried about them. I just need a location now. I'm going to see the hotel man again tomorrow. He didn't tell me today what he wants to do. Another thing you have to investigate is your wire service. How about the telephone wires running into town. Are they along the highway?

Lee Brown: Yeah, I noticed a lot of them this morning. I think I can get wire service out of Waco all right.

Jacobs: You could get it out of Houston too - it would pay you.
Lee Brown: Yeah - I've already got paid service here in Houston -
it would be cheaper if I would get it from there
over the telephone.
Jacobs: How far is this place from Waco?
Lee Brown: Oh, about 60 miles - I'll check into that and find out
which would be cheaper.
Jacobs: Is there a lot of business in that town at night?
Lee Brown: Yeah - there are a lot of places there. When I saw all
those people in town the other night, I knew what
there would have to be a lot to support them.
(Again talked with Jacobs about running in a good spot
in this town.) He said, "My good friend up there got
in a car and talked with this hotel man then - he
want right to the front for me."
Jacobs: Uh huh.
Lee Brown: How was the election down there?
Jacobs: Our election here went over good. Leo got 5,000 votes
to 200 for the other guy.
Lee Brown: Well, I'll write and let you know what I do tomorrow.
I still might get a place at Marlin - that place
looks plenty good to me. (Then talked about soliciting
bets at hotels and bath houses, particularly by the
doctors.) I ought to get a lot of horse race bets
from these doctors.
Jacobs: Well, if you don't get a spot there, you still might
try in Marlin.
Lee Brown: Jake, there's nothing in Marlin at all.
Jacobs: Well, it's all right with me - do whatever you feel
best.
Lee Brown: All rightie.

Another call which reflects Jacobs' influence in other parts
of the country where lawlessness apparently exists, is well illustrated
in the following conversation between him and Norman Ballard, who is
known to control gambling in French Lick, Indiana:

2:25 P.M., Apr. 3, 1937, outgoing on No. 2115 B.M.S.
Jacobs called Norman Ballard, Brown Hotel, French
Lick, Indiana.
Hello.
Jacobs: Mr. Ballard, this is W. S. Jacobs at Hot Springs.
Skippy is trying to get a job with you. I'll
recommend him. He's a good fellow and can handle
what you've got, he hasn't got much education or
manners, but is a good fellow.
Ballard: Yes, I noticed that he lacked both.
Jacobs: He used to work for us and also worked in the gorge (phonetic)
for about two years.
Ballard: That did not help him any.
Jacobs: You think that was bad for him, eh?
Ballard: Very much so. Well, much obliged to you for calling.

It was noted that gambling operations are so commonplace to the officials in Hot Springs that the news of the re-opening of three large gambling places, the possibility of a new gambling place opening in one of the larger hotels is but lightly touched upon by them in their conversations. Of course, under the present order of things, officials do not indicate that any steps will be taken by them to enforce the law by closing such places. The following is taken from a call at 4:12 P.M. on January 13, 1937, the conversation being between Former Chief of Police Joe Wakelin and Herbert Akers -.

Wakelin:Who has the gambling at the Kingsway?
Akers: I understand they're going to open up there on the 16th. They all are - the Southern Club, Citizens, and Miller's.
Wakelin: Who has it at the Kingsway?
Akers: Grady Manning and that Crowd from Little Rock.
Wakelin: Yeah?
Akers: I talked with Jake (W. S. Jacobs) the other day, and I understood him to say that they weren't going to have any gambling there (Kingsway) this year. But I heard today that they will be ready to open up on the 16th.
What about that thing (Legislative investigation bill) this fellow Nichols was going to introduce in Little Rock - is that taken care of?
Akers: Yes, I don't think there will be anything to it.
Say, Joe, do you know what happened to one of those two slot machines that were in the back room?
Wakelin: No, I don't.
Akers: I think Cecil took it and is going to put it up at the hotel (Kingsway). He's got nothing to do with those machines. I picked up the fellow with them. I'm going to get after him, and get that machine back.....

Working under a Mayor, the city administration admits to the knowledge of gambling houses operating in the city, which takes an active part in giving aid to gambling operators, it is not surprising that the local Police Department warns or "tips off" gambling places when orders are received to close. The following call at 1:25 A.M., on December 20, 1936, between Norwood Phillips of the Chicago Club, and Captain of Police Robert L. Moore, amounts to a "tip-off":

Moore: Phil - I want you to close that poker game. I don't want to come by there and see it. I've got orders to close them up.
Phil: Well, we just started, but I'll close it.
Moore: O.K.

There is no need for expanding on the matter contained in the following two conversations - the first at 10:30 P.M., and the second at 10:40 P.M., on January 25, 1937, when it is understood, first, that the Club Belvedere is a gambling place; and secondly, that Arch Cooper, a former captain of police, was under indictment for second degree murder at this time, and was employed as a guard at the Club Belvedere; that Ben Rogers was a Captain of Police and on official duty at the time of these calls. These conversations represent the audacity of Arch Cooper in requesting Captain Rogers to obtain a shot gun to be transported to a gambling house located two miles outside the city of Hot Springs, while on official duty, this being done at the expense of the local tax payers. The gun presumably was to be used by Cooper for the purpose of protecting the interests of the outstanding gambler of Hot Springs, W. S. Jacobs.

10:30 P.M., Jan. 25, 1937, incoming on No. 1E3 DPS

Man calling: Go out to Arch Cooper's house and tell him I want him to go to work at the Belvedere. Let me hear how you made out.

Police Dept. O.K.

10:40 P.M., Jan. 25, 1937, incoming on No. 1E3 G.R.M.

Arch Cooper: Called Captain Rogers.

Rogers: Hello.

Cooper: Ben, this is Arch. Will you do me a favor?

Rogers: Sure.

Cooper: Go out to Dyle's (Dyle Cooper), and tell him to get my sawed-off shotgun and come out to the Belvedere. Tell him to get in touch with me before he brings it in. There's nothing to be alarmed about.

Will you do that for me?

Rogers: Sure.

Cooper: If he's not at home call me back at No. 2484 (Belvedere)

It is logical to suppose that in a municipality which permits and espouses gambling, that law enforcement officer would be affected in the performance of their duties by this official tolerance and actively corrupt attitude. Such is the case, in fact, and in several instances officers exchanged favors with persons engaged in the gambling "racket". On one occasion a gambler employed at Belvedere Club called the Police Department and requested that an officer bring him a bottle of liquor to his residence. On another occasion Jack Fry, who operates a saloon and gambling place, not a part of the local syndicate, and two

partners were arrested on gambling charges. Fry was not brought to the Police Station at that time, because there was no one to take care of his place in his absence.

The ultimate consideration is reflected in a call at 5:35 P.M., on January 5, 1937, when Chief of Detectives Herbert Akers spoke with Curtis Ridgeway, Assistant County Prosecutor. In referring to the matter of obtaining an indictment against one Jefferson, who "stuck up" the Chicago Cigar Store, a gambling place, Akers stated --

".....Curtis, I'd like to get an indictment on Jefferson in that Chicago Club holdup.I told Nickels (Fred Nickels) that I'd see about getting one in the morning. His book opens at noon, so wouldn't want to call him after that. Will wait until I hear from you."

It is probable that only in a city as corrupt as is Hot Springs, could a statement be obtained from a law enforcement official, suggesting that the County Prosecutor and the Police Department, in the conduct of their official duties, should await the convenience of a "bookie" gambling operator in order to obtain an indictment.

The Police Department not only suffers the continuance of wide spread and open gambling, but takes active steps to act as an agency for the gambling interests in the collection of money which persons have lost at the gambling tables. The case involving the arrest of a young man named Dillard for refusal to pay a gambling debt presents a study in civic corruption, involving as it does, the use of the Police Department and of the Courts, with suggestions of perjury and "fixing" on the part of the Municipal Judge, and the efforts of a gambling operator to collect on an agreement based upon an illegal consideration.

At 1:40 P.M., on January 15, 1937, Jack Fry, who operates the Keystone Bar, called Herbert Akers and stated that he had a warrant for "a fellow" and indicated that he desired to talk to Akers before taking any action, stating, "I think it may mean some money to you."

Thereafter, calls indicated that the young man to whom Fry referred was named Dillard. He was found at the Howe Hotel in a drunken condition in the company of a "pimp" working for "Ma" Proctor. He was arrested and brought to the city jail, and Akers then called Fry at 4:25 P.M. on the same day, and said -

Akers:How much does this fellow owe you?
Fry: \$225.00.
Akers: Well, I'll get it for you as soon as he sober's up.

On the following day Dillard called a Dr. Fletcher and explained that he had gotten drunk and lost \$225.00 at Jack Fry's place; that he had written out a check for the amount, but later cancelled payment on it. Dr. Fletcher exhibited his interest in Dillard, who apparently had determined not to pay for his gambling losses and to fight the charges upon which he was being held. When Fry learned of Dillard's determination to fight the case he expressed his fears to Akers in a conversation at 10:47 A.M., on January 17, 1937, and Akers suggested that Fry perjure himself, Akers indicating that he would attempt to influence Judge Ledgerwood:

Jack Fry:Hell, I didn't want to go to Court with him on this - couldn't you get him to pay the money out of court?

Akers: No, I couldn't do a thing with him - he's going to contend it was a gambling debt.....
....I won't be here tomorrow, but why don't you get a hold of Verne (Municipal Judge Verne Ledgerwood) before court and explain this to him. If you don't want to do that, ask him to continue the case until you can round up your witnesses, and in the meantime I'll talk to him.

Jack Fry: Well, I can do that.
Akers: Can't you get some witnesses who will testify that they saw you give him the money outright. You can say that you didn't know what he was going to do with the money; that he walked to the back of the place, and couldn't see what he was doing back there.

Jack Fry: I can get three or four witnesses all right that will say they saw me give him the money.
Akers: Well, you contact Verne early tomorrow morning, and either have your witnesses there for court, or ask him to continue it for a couple of days, and I'll talk to him then.

Jack Fry: O.K., Dutch.

Hilliard, in the meantime, had retained Attorney at Law "Dick" Swaim, who is a close friend of Herbert Akers. The final conversation in this matter took place at 1:31 P.M. on January 17, 1937, between Attorney Swaim and Herbert Akers:

Dick Swaim:This is Dick - are you going to be in town tomorrow morning?

Akers: No, I'll have to be in Little Rock.
Dick Swain: I wondered if you could get someone to whisper in Ledgerwood's ear tomorrow morning for him to tell Jack to give this fellow his check back. If he doesn't, he threatens to go before the Committee at Little Rock, and spill it over there. He will be satisfied, if Jack just gives him his check book.
Akers: Couldn't you do anything with him?
Dick Swain: No, he's got a couple of smart doctors behind him. Can you get somebody to whisper to the Judge to tell Jack that?
Akers: All right, Dick.

In the above call the reference to the Committee probably is directed at the legislative committee which was then conducting an investigation of lawlessness existing at Hot Springs. The final statements of Akers and Swain indicate that the whole matter will be passed on to Judge Ledgerwood, it being intended that Ledgerwood would induce Fry to withdraw his charges, accept the loss and avoid the possibility of this case becoming public knowledge, to the probable embarrassment of the city of Hot Springs.

The power of W. S. Jacobs in Hot Springs is reflected in a conversation overheard at 2:00 P.M., on January 1, 1937, the inference being made that the Police Department will not take any investigative action in the loss of jewelry unless prior permission or authority is obtained from Jacobs. It will be noted that there is a strong indication that former Captain of Police Cooper, who is a guard at Club Belvedere, had played some part in the disappearance of the jewelry of the woman named Lou:

Akers: Hello.
Lou: This is Lou. Did you find Eddie's watch and my purse and ring?
Akers: No - I've talked to all the boys who were out there (Belvedere) and none of them know about it.
Lou: Well, Dutch, I want those things. I want you to see Arch Cooper and tell him I want those things.
Akers: He'll know what I mean. I'll take it up with Mr. Jacobs when he gets up, but I won't do anything until then.
Lou: You don't have to see Mr. Jacobs. Arch Cooper is responsible.
Akers: No, Lou, I'll have to talk to Mr. Jacobs and let him handle it.
Lou: Well, tell him to tell Arch to get those things back to me. I mean it.
Akers: All right.

Although a vital part of the political machine controlling gambling in Hot Springs, it appears that Herbert Akers avails himself of the opportunity of dealing directly with "bookies" at such times as when the order has gone out from Mayor McLaughlin to close down the local "bookie" places. The following calls indicate that in this association of Akers with book makers, he apparently acts as a source of information, advising them when they can operate and when he thinks it advisable for them to close.

In the following conversation, overheard at 11:00 A.M. on March 4, 1937, Mayor McLaughlin speaks with Municipal Judge Verne S. Ledgerwood. It will be noted that McLaughlin is not particularly perturbed at the fact that gambling or the making of race horse books is being carried on in Hot Springs, but is more particularly interested in the idea of a race horse book being operated during the time that the local gambling establishments are closed:

Mayor: ".....Say, after you left out there (race track) I saw ten fellows in that end (or "N") box. They were in that box making books..... I threw them out.... They are booking up in the Arlington. (Hotel). Now, with our books closed we can't have those son-of-bitches out there making books - out in the open."

Ledgerwood: "Send somebody up to them to place a bet and have Akers arrest them. That is what to do."

Mayor: "I'll see Dutch."

Shortly after the above call Mayor McLaughlin summoned Akers to his office. McLaughlin then called Mr. Chester, Manager of the Arlington Hotel, at 11:06 A.M., and advised him of the presence of a group of bookies, including individuals named Frachetti and Douglas, taking bets at the Arlington Hotel. In view of the position of McLaughlin as virtual dictator to the gambling interests in Hot Springs, note should be made of the impression he gave Chester that he was outraged at the thought of "bookies" openly taking bets in the Arlington Hotel, not only from out of town people, but from the guests there. The Mayor appears to be greatly disturbed at the thought of "bookies" from other towns operating in Hot Springs.

Mayor: ".....The books in Chicago have been closed and they are now coming down here to operate. That's what they are doing, so I told Dutch

to go up there quietly and just tell them that we are glad to have them here, but if they are going to do that kind of business we will have to put them on the train."

Chester: "Well, thank you, we will cooperate with him."

It will be noted that the sentiments expressed by the Mayor in the above call bears out the general reputation that racketeers are welcome in Hot Springs, "as long as they do not work there."

It appears from the following call overheard at 11:15 A.M. the same day, that Akers is interested in the operation of the "bookies" at the Arlington Hotel. This association was probably made by Akers after orders had gone out that the local "bookie" establishments should be closed, and probably it was a case of Akers "making hay while the sun shines." During this call Akers spoke with Mr. Douglas at the House Hotel, portions of the conversation being -

Akers: ".....Doug, tell those boys who are betting across the street to be careful, there's some under cover men in town."

Douglas: "You mean the bookies at the Arlington?"

Akers: "Yeah, there's some under cover men here see? I'll explain when I see you at the Southern for lunch."

Douglas: "OK, I'll tell 'em."

DPS spy

In the case of persons who are not connected with the local gambling syndicate and who attempt to operate gambling games in Hot Springs, it was noted that immediate and active punishment was meted out to them. A call at 6:55 P.M. on November 29, 1937, illustrates the prompt and vigorous action taken by the Hot Springs Police Department against "unlicensed" gambling operators.

GIRL: Is Dutch there?

Akers: Hello - just picked up Russell. He and Dorsey had a poker game fixed up. Robert Poe signed his bond.

GIRL: You better get to Verne.

Akers: I'm going to do that right away - OK - see you later.

It appears that Akers obtained the aid of Municipal Judge Verne S. Ledgerwood in arranging it so that Dorsey would have to remain in jail. This apparently was done through a cancellation of the bond upon which Dorsey had previously been released. Akers thereafter made

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inquiry at several places of the residence address of Dorsey and then apparently went out and re-arrested him, for at 8:45 P.M. the same day Dorsey was back in Jail. At this time the bond on which he had been previously released apparently had already been cancelled, and Dorsey was attempting to induce "Bill" at the Chicago Cigar Store to go his bond. During this conversation Dorsey told "Bill" that he had been arrested for starting a crap game without the permission of the Police Department.

It appears that the matter of primary importance in the present city administration is the continued existence of the present order, which countenances the efforts of what amounts to a municipally operated gambling syndicate. This interest of the city administration, protecting gamblers has been covered in some detail in this report. Another phase of this corrupt alliance of city officials with gamblers and second only in importance to the protection afforded gamblers is the unwritten law that lawless acts against the gambling fraternity must not go unpunished.

It was alleged that John Dickson and others of his gang robbed the Blue Ribbon Club, a gambling establishment, during the fall of 1935. During the recent trial of Alfred "Pug" Dickson, cousin and former criminal associate of John Dickson (deceased), at Benton, Arkansas, for the theft of a truck, after he had been arrested by the Hot Springs Police Department, his attorney, C. Floyd Huff, Jr., stated in open court that "John Dickson was killed because he had committed the unpardonable crime of robbing a Hot Springs gambling joint".

The truth of the above statement is found in the intensive efforts by the Hot Springs Police Department to locate John Dickson and his associates. Members of the Hot Springs Police Department participated in raids conducted in various parts of the State of Arkansas, and the State of Oklahoma, for the purpose of apprehending these men.

When the Chicago Cigar Store was robbed on December 28, 1936, the local police went into immediate action. As a result one Palmer Jefferson was arrested.

The robbery of the Southern Club, a W. S. Jacobs property, on March 19, 1937, by five men, is a classic example of the manner in which the local police department protects the interests of the "gambling syndicate." In that case, Captain of Police Jerry "Swede" Watkins became almost hysterical in his frantic efforts to apprehend the robbers after the robbery. Chief of Detectives Herbert Akers exhibited the utmost concern in solving the case and personally assuring W. S. Jacobs that he would do everything in his power to locate the robbers. The night shift of police officers called in to the Police Department for the first and only time during the entire

period the police telephones were kept under surveillance. This was done probably to advise all police officers of the available information in the possession of the Police Department as to the identity of the robbers. Mayor McLaughlin conspired with W. S. Jacobs to hide the fact that the Southern Club was "sneaking" horse race bets at the time of the robbery and McLaughlin made it appear in a statement issued to the press that the robbery was directed against certain individuals who happened to be present at the Southern Club, rather than being directed at the Club itself.

As a result of this intensive police activity, certain suspects were located in Chicago, Illinois. Chief of Detectives Akers, with the assistance of Curtis Ridgeway, Assistant County Prosecutor, took two witnesses from Hot Springs to Chicago for the sole purpose of identifying the robbers. After these suspects were identified, the local authorities inaugurated extradition proceedings against them. Some of the expense incident to the intensive police investigation conducted in this case, especially the payment of the transportation of Akers, Ridgeway, and the Witnesses to Chicago were paid by W. S. Jacobs, the leading gambler at Hot Springs.

Contrary to the intensive police activity exerted in solving the robbery directed at the gambling operators and gambling places, is the general apathy exhibited by the police department in the investigation of bona fide violations of laws, where the property or personal rights of legitimate tax paying individuals are violated. During the course of the investigation at Hot Springs it was noted that on several occasions valuable pieces of jewelry belonging to persons visiting at Hot Springs were lost or stolen. No noticeable efforts were made by the Police Department, either to recover this property or locate the persons responsible for the unlawful taking of same. This general apathy of the Police Department in investigation complaints of legitimate law abiding citizens is reflected in a conversation at 6:55 P.M. on March 2, 1937; wherein the man calling asked if the 1928 Buick coach reported stolen last night had been recovered, and the conversation continued --

Jailor: No information yet.
Man: Would you mind explaining what that detective meant about there would have to be a reward posted before the detective department would start looking for it?
Jailor: You will have to speak to Mr. Akers about that, he's in charge of that work.

At 9:31 P.M. the same evening, a man who probably was a police officer called Captain Ben Rogers and in speaking of the owner of the above Buick automobile, stated, "This fellow will kick in if you get the car back."

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DPS cpw

- V I C E -

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From the investigation conducted at Hot Springs, Arkansas, through a surveillance of telephones, it was learned that the following places are operated as houses of prostitution:

<u>Trade Name</u>	<u>Owner</u>
Hatterie Hotel 235 Central Ave.	Grace Goldstein
Proctor House 346½ Central Ave.	Mother Proctor
Lillian Bahre's 809½ Central Ave.	Lillian Bahre
Ada Garner's 827½ Central Ave.	Ada Garner
Bessie Stark's 706½ Central Ave.	Bessie Stark
Lillian Pearrow's 105 Prospect St,	Lillian Pearrow
Mrs. C. B. Webb 3 Crystal Ave.	Mrs. C. B. Webb
Empire Room 351 Malvern Ave.	Ruth Johnson

Similar to the open and practically uncontrolled operations of gambling, but even more reprehensible in it's moral character, is the widespread practice of prostitution in Hot Springs, Arkansas. Prostitutes and operators of vice resorts apparently carry on their illicit activities with little or no interference from the police.

It would be almost impossible to believe that prostitution could be practiced and that houses of ill fame could be conducted in the open and notorious manner obtaining at Hot Springs without the local law enforcement officials knowing that this condition exists.

Information was obtained over the telephone taps that, in fact, members of the local police department make frequent calls on houses of prostitution; that they are friendly with the operators of such vice resorts and with inmates who are engaged in the practice of prostitution. It was learned that in some cases the police officers and officials of Hot Springs Police Department consort with and carry on illicit alliances with women who reside in houses of prostitution, and who obtain their living from the sale of their services to the public.

In the case of Joseph Wakelin, during the time that he held the responsible position of being the leader of the local law enforcement agency as Chief of Police of Hot Springs, he stated when interviewed by Inspector E. J. Connelley on May 9, 1936, that he knew that Grace Goldstein had operated houses of prostitution continuously over a period of six or seven years, during which period she resided at Hot Springs, Arkansas. Chief of Detectives Herbert Akers, when interviewed on the same date, likewise admitted that he knew Grace Goldstein operated a house of prostitution.

In the current investigation information was obtained indicating that Akers and Wakelin also knew of the existence of other houses of prostitution operated in the city of Hot Springs, but that in place of taking active steps to close such places of ill fame and attempting to curb the wide spread practice of prostitution they, with former Captains of Police Archer L. (Arch) Cooper, and Robert L. (Bob) Moore, Captains of Police Ben Rogers and Jerry "Swede" Watkins, Jailors Frank Tucker and Owen Corrington, communicated and appeared to be on friendly terms with such persons operating outside the law, and in many instances the above named police officers gave aid and provided protection to the operators and inmates of the houses of ill fame.

In considering the descriptions previously disclosed above, the conclusion can be fairly reached that such flagrant conditions accompanied by complete disregard of duty on the part of police officers resulting from some system of protection whereby "madams" of houses of prostitution purchase virtual immunity from interference by police officials, in their vicious operations.

Confidential information was obtained from an informant, that Leo P. McLaughlin stands at the head of the vice, as well as the gambling interests at Hot Springs, Arkansas; that it was indicated that persons operating houses of prostitution do so only through the payment of protection money. Further indications of the truth of this information is found from considering the iron hand with which McLaughlin controls the operations of the gamblers in Hot

Springs, and the power which he wields in completely dominating all other phases of legitimate civic enterprise. In further confirmation of the report that McLaughlin is the foremost figure in the systems of vice protection is based on confidential information received indicating that he is the owner of two parcels of real property upon which is located the house of prostitution operated by Lillian Pearrow at 105 Prospect Street, and the Empire Rooms, operated by Ruth Johnson, at 351 Malvern Avenue. An investigation was conducted and resulted in the information that Mayor McLaughlin does in fact handle any and all business matters having reference to these properties, although the taxes for the same are still assessed in the name of Bridgett McLaughlin, a close relative.

Certainly the open and flagrant manner in which the laws against commercialized vice and prostitution are violated, the assurance with which "madams" of houses of prostitution call upon the Police Department for protection, the security from arrest which they feel and express in words made even to the Police Department, and the outraged feelings of operators of houses of prostitution when one is granted a favor over others, point to but one conclusion; namely, that such operators pay money for police protection.

The following calls refer particularly to Municipal Judge Verne S. Ledgerwood, and should be read with the thought in mind of the close association of Ledgerwood with the present city administration, and especially with Mayor Leo P. McLaughlin, co-advisor in matters affecting the city administration. These calls indicate that Judge Ledgerwood, as city Judge, is also a vital part of the system under which prostitution is permitted to operate in Hot Springs.

The Bert mentioned in the following call is Bert Hall, who is either the paramour, pimp, or business partner of Ada Garner, who has been previously mentioned as a bawdy house operator. At 11:15 A.M., on February 10, 1937, Chief of Police Weldon Rasberry called Judge Ledgerwood:

Ledgerwood: ".....Have they had those girls down?"
Rasberry: "Yes, and they ordered both back to the clinic."
Ledgerwood: "Have Bert get some other girls them."

Thereafter Chief of Detectives Herbert Akers called Judge Ledgerwood at 1:29 P.M., and asked if Ledgerwood wanted him to turn "those girls over to Bert and get their health cards made out", stating that he was through with them. Ledgerwood replied that that would be all right. The clinic mentioned in the above call refers to the U. S. Public Health Clinic at Hot Springs, which specializes in the treatment of venereal diseases.

The sense of injustice that Lillian Pearrow feels and expresses in a telephone call at 5:25 A.M., January 17, 1937, because her "girls" (prostitutes) are prohibited from carrying on their illicit business in the Eastman Hotel, while prostitutes from Grace Goldstein's place are permitted entrance, gives further wake to the conclusion that Lillian Pearrow pays for protection, and for that reason feels that she is entitled to the same consideration as that given to other "madams" of "houses" operating in the city.

Incoming on No. 446

Rogers: Hello -
Lillian: Rogers, this is Lillian (Pearrow). Are you the
Night Captain now?
Rogers: Yes -
Lillian: Why can't any girls but Grace's girls get in the
Kingsway? (Eastman Hotel). Mine couldn't get
in tonight and I heard several others couldn't.
I hadn't heard anything about it.
Rogers: Well it just started tonight that way - you know
that Brock is the "dick" there now, and if
Grace (Goldstein) is paying off I want to know
about it so I'll know what to do about it -
I don't know -
Lillian: Well, you know she can afford to pay off - my God -
when any of her girls get drunk she fines them
twenty dollars every time. Find out for me, will
you, whether she is or not - you can do it - and
let me know - you know, we all have to stick together
to make a living in this - every girl
but Grace's was stopped there tonight.
Rogers: All right Lillian - I'll see what I can do and let
you know.

A series of telephone calls beginning at 4:12 P.M. on February 28, 1937, reflect the brazeness of Mrs. C. B. Webb, proprietress of a house of prostitution, who called Captain Ben Rogers and advised him that she was worried about a prostitute named Juanita who had answered a "call" at the Arlington Hotel. This also reflects that officials of the Hot Springs Police Department receive money from operators of disorderly houses for favors rendered, the money being a part of that obtained from the practice of prostitution. In the above call Mrs. Webb stated that she had learned from a bell boy at the Arlington that

".....the fellow in the room there wouldn't
give her any money or let her out - wish you'd
go over and get all you can out of that son of
a bitch and I'll split the difference with you...."

The offer of bribery by Mrs. Webb was readily accepted by Captain of Police Rogers, who got in touch with "Mack" the house detective at the Arlington Hotel, and through him learned that Juanita and her "date" were both asleep in a room at the Hotel. Rogers then reported this information in due course to Mrs. Webb.

The assuredness with which prostitutes feel that they are entitled to practice their illegal business at Hot Springs, Arkansas, is reflected in the case of a prostitute named "Pat" who was arrested with her girl friend, Mrs. Hargraves, on the night of March 19, 1937 on a charge of loitering. These women apparently were released early the following morning upon the assurance that Cecil Brock, former Lieutenant of Police, presently under indictment for the killing of John Dickson, would "stand for them."

At 6:10 P.M., on March 20, 1937, "Pat" called Chief of Police Weldon Rasberry and told him that it was the first time she was ever arrested, and that she had forfeited a \$10.00 cash bond rather than appear in court. She continued with the following illuminating conversation -

"Pat"

".....What I want to know is this - if they've (police officers) got it in for me, well I'll just have to go somewhere else, because I can't make aliving by paying fines like last night.Mr. Akers didn't have anything against me - he said it was all due to the night captain. Wish you'd look into it and let me know how I stand - whether I'll get picked up every time that I go out. I answer some "calls" but I've never been in court before. If the night force have got it in for me I'll just have to leave town."I'll look into it. Didn't know anything about it until I saw your name this morning."

Rasberry:

Portions of the following call overheard at 7:16 P.M., on March 20, 1937, are quoted for the purpose of showing that prostitutes apparently are referred to Captain of Police Jerry "Swede" Watkins for approval before they can obtain employment in a house of prostitution. In this case the "house" is the Empire Hotel.

"Woman:

".....Jerry, this is Inez. Will you call Mr. Williams up at the Empire (Hotel) and tell him its all right with you all for me to come in there and work. He says its OK with him but wanted to be sure it's OK with you. Be sure to call him tonight, will you?"

Watkins:

"All right."

The mutual exchange of favors between the local police and prostitutes operating under the idea of protection with the police department ultimately acting as an agency collecting the wages earned by prostitutes in the conduct of their "profession" is exemplified in calls beginning at 2:51 P.M., December 22, 1936.

This incidence revolves around a complaint filed by a prostitute named Billy with Joseph Wakelin. Billie alleged that on the previous evening she answered a "call" at the Marquette Hotel and "turned a trick" for a man named Parker, who was an employee at Miller's Cigar Store (a gambling place). Billie stated further that Parker took \$8.00 from her pocketbook, part of which money was the \$5.00 she obtained from "turning a trick." Wakelin thereafter caused the arrest of Parker on a charge of robbery after suggesting to Billie that she swear out a warrant for him. At 3:52 P.M., on the same day, Wakelin told Billy to come to the city jail where Parker was incarcerated, probably for the purpose of arranging for the repayment of the money in question. It appeared that a satisfactory settlement was made, as a call at 4:23 P.M. revealed that Parker had been released.

A call at 11:25 A.M. on December 30, 1936, reveals that Billy reciprocated by purchasing a Christmas present for Chief of Police Joseph Wakelin. Wakelin readily accepted this present from Billy.

Further proof of the statement that persons engaged in commercialized vice are protected and have no fear that they will be pressed for transgressing the law, is found in the following statement made by Mrs. C. B. Webb to Captain of Police Jerry Watkins in a conversation at 5:30 P.M. on March 9, 1937. Mrs. Webb advised Watkins that a man named Harlow caused some trouble at her place the previous evening. She continues --

Mrs. Webb: ".....He threatened that he would have me put in the iron" (jail), but he can't do that. He's a no good son of a bitch - drives a car drunk with a fellow from Indianapolis. Just wanted to let you know, so you'll know who he is in case he tries to cause me trouble."

Watkins: "Yes - all right - I'll come over and talk to you."

In view of the usual treatment accorded persons in the city jail, who are not even permitted the use of the telephone, the solicitous treatment given Al Pearrow, paramour or husband of Lillian Pearrow, a vice operator, who was incarcerated on a charge of drunkenness, illustrates the ingratiating attitude exhibited by the Police Department to persons connected with the operation of vice.

At 12:45 A.M. on February 26, 1937, Jailer Corrington called the telephone of Lillian Pearrow's house of prostitution and told the woman who answered that "Al" desired some coffee and cigarettes. At 7:00 A.M. on the same day a man who probably was a police officer called Lillian Pearrow's place and asked that Al be sent some coffee.

At 9:30 A.M., the same day, Lillian Pearrow called the Police Department, and was told to bring "Al" some coffee. Thereafter Akers called Lillian Pearrow's "place" and asked her what she thought should be done about "Al."

At 12:35 P.M., the same day, Jailer Tucker called the residence of Chief of Detectives Herbert Akers and told him that Lillian Pearrow was then at the city jail, and Akers ordered that "Al" be released.

It was noted that the "madams" of houses of prostitution called upon the Police Department for police protection when disturbances arise. The full import of such requests lies in the idea of law enforcement agencies keeping order in disorderly houses at the expense of law abiding tax-payers.

On one occasion Ada (Garner) called Chief of Detectives Akers and reported that a man was causing a disturbance at her place. Akers assured her that he would be right up. See call at 7:45 P.M., on December 3, 1936.

A woman whose voice sounded like that of Mrs. C. E. Webb, told Akers at 8:45 P.M. on March 8, 1937, of a man who was trying to make Juanita, a prostitute, move out. Akers told her that he would send an officer to her place.

The Police Department is also called upon to locate prostitutes for the benefit of disorderly house operators. In the following case the Bert mentioned is undoubtedly Bert Hall, who has been mentioned as a business partner or paramour of Ada Garner. The following calls were overheard at 2:03 P.M. and 3:35 P.M., on December 18, 1936:

Bert: "...This is Bert --. Two of my girls got in an Illinois car last night with two strangers - one of them claimed to be Buddy Baer - Max Baer's brother. One of my girls got scared and ran off - the other hasn't shown up yet."

Akers: "You better get all the details and let me have them. We'll round those fellows up."

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Girl: "Is Mr. Akers there?"
Akers: "Hello."
Girl: "This is the girl Bert Hall has been inquiring
about."
Akers: "Where have you been?"
Girl: "First one place then another."
Akers: "Well - you had better watch your step - you'll
get in trouble that way."

Various conversations reflected that members of the Hot Springs Police Department have a general friendly attitude for the operators and inmates of disorderly houses, and visit such places for purely social reasons. Chief of Detectives Herbert "Dutch" Akers, on various occasions, engaged in purely personal conversations with prostitutes employed at the "house" operated by Bessie Starks and the house operated by Ada Garner. Former Captain of Police Archer L. Cooper "kidded" with a prostitute named Mary, employed by Lillian Bahre, and made a tentative date to see her. Cooper also engaged in general conversations of personal matters with a prostitute named Connie Morris, employed by Grace Goldstein. In a conversation overheard at 11:00 P.M., January 19, 1937, between Lillian Bahre and a man who probably was Captain Ben Rogers, directly indicated that he has sexual relations with the Bahre woman.

On one occasion, at 8:23 P.M., March 19, 1937, Ned Stewart called Chief of Detectives Herbert Akers and stated that he and "Judge" Bush were in town at the Como Hotel. Stewart asked Akers if it was OK for them to visit the place just past the Arlington (Hotel) for a "good time." The place mentioned is probably the Hatterie Hotel, located immediately next door to the Arlington Hotel. Akers placed his stamp of approval on this place by stating, "It's OK there. tell her (Grace Goldstein) you are a friend of mine." It is interesting to note that one Ned Stewart is District Prosecuting Attorney at Texarkana, Arkansas, and Dexter Bush is Judge of the Circuit Court at Texarkana, Arkansas.

This promiscuous association of members of the Police Department with prostitutes, and the generally friendly and tolerant attitude of the Police Department toward prostitutes, culminates in the unlawful alliance of Grace Goldstein, operator of the most notorious house of prostitution in Hot Springs, with Joseph Wakelin, who was Chief of Police up until the first part of January 1937. The excuse of ignorance of the Goldstein woman's true identity does not hold true in the case of Wakelin, in view of his express admission to Inspector Connelley that he has known for the past six or seven years that Grace Goldstein has operated houses of prostitution.

The surveillance that was maintained on the Police Department telephones definitely shows that Wakelin engaged in telephone conversations with Grace Goldstein and made social engagements with her practically every night. The story of drunken parties at Grace Goldstein's Hattie Hotel, with police officials participating, rivals the orgies of ancient Rome. The effect of such a lewd existence on the part of the head of the local law enforcement agency is probably one of the contributing causes for the friendly association of officers with prostitutes and the generally tolerant attitude exhibited by the Police Department toward commercialized vice in Hot Springs.

Chief of Police Wakelin transmitted to the Goldstein woman confidential information in the possession of the Police Department and advised her of steps that the Police Department intended to take in the pursuit of badly wanted fugitives.

Apart from the moral aspect involving the evil of such an association, other results of putting confidential police information as to the activities of the Police Department in the hands of disorderly house operators, can be readily understood. With such information in her possession the Goldstein woman certainly could use it for the protection of other persons operating outside of the law. This, in fact, appears to be the case, for it has been learned that through his association with her, Alvin Karpis was able to live in Hot Springs, Arkansas and evade arrest for the period of one year. With the Goldstein woman as a protector, the outstanding criminals of the United States, including Harry Campbell, Sam Coker, Fred Hunter, George "Burrhead" Keady, and Milton Lett came to Hot Springs and lived and associated with Karpis and the Goldstein woman. Definite information will be set out hereafter, showing that in at least one instance Wakelin "tipped off" Grace Goldstein of an investigation being conducted by another official of his own Police Department, of a prostitute residing at Grace Goldstein's house of prostitution.

It is generally known that badly wanted fugitives associate with inmates and operators of disorderly houses. Through them criminals are afforded a place for refuge from arrest, and these women provide an outlet for the disposition of property obtained during the course of such persons' criminal enterprises. An incident wherein Chief of Detectives Herbert "Dutch" Akers "cut" with Grace Goldstein on the proceeds obtained from the sale of a "hot" ring, will be disclosed hereafter.

The following calls, overheard at 6:15 P.M. on November 26, 1936 and at 6:40 P.M., November 24, 1936, between Grace (Goldstein) and a man whose voice was not identified at the time, but who undoubtedly was Wakelin, show the close association of Wakelin

with Grace Goldstein, and the participation of Captain Arch Cooper in a lewd party at the Hatterie Hotel:

Wakelin: Is Grace there?
Grace: Hello, sober?
Wakelin: Yes.
Grace: I'll see you like Hell. That all-night business gave me Hell. We had a wonderful time. The Belvedere closed at 2:00 A.M., and the bunch came up.
Wakelin: Was Bud up? (probably "Buddy" Wakelin, son of Chief Wakelin)
Grace: Yes, but he got lost. We had prizes up and Arch Cooper won a prize, a cigarette outfit. She had to pay for a prize too, a lay. Ha. Ha. Connie (Morris) won a prize, a pair of step-ins. She had a few drinks and got on a chair, took off her clothes and put them on. Arch (Cooper) told me today that he only had time to get home, take a bath and report for work.
Wakelin: Well, he did not get here until noon. Did Arch get drunk?
Grace: No, he didn't have a drink. We had Scotch, Rye, Seagram's, cocktails and everything. I got to bed about 8:00 A. M. They are having another party tonight. Tom Carroll (phonetic) and Connie did a dance. Connie put on a hula skirt.....
Grace:You didn't show them that house on the hill did you? Ha. Ha. (probably referring to Woodcock home)
Wakelin: No, we went down to Malvern.
Grace:Jack did not come up. He was the only one missing. We had three maids working last night and they were kept busy mixing and serving drinks. We could go out for a little tonight but not for long. That's up to you.
Grace: We are having a party tonight to entertain the chauffeurs and there a bunch of them. We had better make it tomorrow night.
Wakelin: OK. See you tomorrow night.

-o-o-o-o-Grace:Connie's here and says tell you that you see everything too - (Jokes) - Connie's going to have a party - names from Southern and Belvedere - your son will get an invite. Heard where Mayor sued for divorce - might have a chance now.
Wakelin: That's what we were doing yesterday - serving papers on him.

Connie: Are you coming to the party?
Wakelin: Better not come - we might all get pinched - you know someone has to stay on the outside and keep that from happening. Argh only one here now - teeth hurting me - am going to Dr. Barton in the morning.....

The party at the Belvedere Club apparently materialized, which can be seen from a conversation at 14:10 P.M., November 29, 1936, wherein Grace Goldstein advised Wakelin as follows:

Grace:I'm tired - went to the Belvedere last night - had lot to drink and gambled. Didn't get in until late....
Wakelin:I won't be able to see you tonight. I'm going away with the others.
Grace: What's the matter? Is it the "goop"?
Wakelin: Oh no, nothing like that.
Grace: Call me tonight then, won't you? I'm going to stay in.
Wakelin: O. K. I'll do that.

A conversation between Grace Goldstein and Wakelin taking place at 7:45 P.M. on December 16, 1936, reflects that Wakelin is acquainted with various members of the family of Grace Goldstein. Pertinent portions of this conversation are quoted below:

Grace:I'm just as naked as a jay bird.(laughter)
I was just going to take a bath.
"I just got in a few minutes ago..... Mother asked about you."
Wakelin: How is she?
Grace: Fine - Well, guess I'll be taking my bath. I've got twenty to eight -
Wakelin: I've got fifteen 'til eight.
Grace: How about eight-thirty?
Wakelin: All right.
Grace: O.K.

During the latter part of November and the first part of December, 1936, the Hot Springs Police Department was very active in attempting to locate a gang of robbers and car thieves headed by John Dickson. These men were badly wanted by the State of Arkansas and the Federal Government. The investigation directed toward learning the location of these men was therefore, highly confidential. A group of local officers made a trip to Hugo, Oklahoma, and arrested one Price, a member of this gang.

In the following conversation, overheard at 6:00 P.M. on December 9, 1936, Wakelin describes to Grace Goldstein what he has been doing, and discloses to her the very confidential information as to what steps the Police Department intends to take in an effort to apprehend the remaining members of this gang:

Grace: Have any luck?
Wakelin: It took us two days, but we got one of the guys we wanted - Price.
Grade: You must have had a hell of a trip.
Wakelin: Yeah, I was up all night.
Grace: Jesus Christ - you did a good job.
Wakelin: We picked Price up at Hugo, Oklahoma.
Grace: You didn't find the others then?
Wakelin: No, they're out in the mountains near here now. We'll go out after them in a couple of days.
Grace: I might go home Sunday for a while.
Wakelin: Is that road this side of Powderly?
Grace: Yes.
Wakelin: We went over in that way on this trip.
Grace: Did you go with "my friend".
Wakelin: No, he didn't go. They sent a fellow from Oklahoma City. He was down near the road.
Grace: Yeah?
Wakelin: That road is between Hugo and Powderly, isn't it?
Grace: Yeah, on the Texas side.
Wakelin: I noticed it when I passed it, but I didn't say anything. (Laughing)
Grace: You're not in the habit of saying anything, are you?
Wakelin: No, guess I haven't been, have I?

Mention has been made previously that Wakelin, on one occasion, "tipped off" Grace Goldstein of an investigation being conducted by another police official of a prostitute residing at her house of prostitution, the account of this "tip-off" being contained in a call at 3:50 P.M. on December 5, 1936:

Wakelin: No, 3421.
Grace: Hello.
Wakelin: Say hon, have you got a girl working for you that has a fellow on the outside driving a Pontiac Coupe?
Grace: No. Why?
Wakelin: Dutch is laying for him on the street.
Grace: Why, what is the matter?
Wakelin: I don't know yet - I haven't been able to find out.
Grace: All I know is that they have information that they have information that the girl is supposed to be hustling out of your place.
Wakelin: I have a couple rooming here that came in last Monday.

Grace:(cont'd) I think the fellow is driving an Oldsmobile or Plymouth Sedan with Ohio license plates on the car.

Wakelin: Well, that's the kind of plates that are supposed to be on the car.....

Grace:Listen, Grace, when you hear that phone click, stop talking and I'll tell them to get off the line. (Refers to extension phone at Police Dept.)

I understand. I knew that the girl is hustling over at the Majestic and she answers calls from here, but she's not working for me. She received a call here the night before last and went out....

....Well, what do you think I ought to do? I don't know what to say if you say she's not hustling for you I guess they can't do anything to you. You better not say anything about it to anyone.

Grace: I don't know much about those people. As long as I get my money - that's all I care about, you know that.

Wakelin: I know. I haven't hear what these people were up to. If they pick them up in the street and she says that she is hustling out of your place - well you know what "Dutch" will do. You know how he feels - he'll tear your place upside down.

Grace: Jesus, I don't want anymore trouble up here. What do you think I better do?

Wakelin: Are they there now?

Grace: No, I don't think so.

Wakelin: If you think you can trust the girl, tell her without disclosing the source of your information that you heard someone was checking up on them and that they had better move or leave town. You might tell her that Government might get after them if it's found out that her man brought her in here from out of the State to hustle.

Grace: The girl doesn't look like a P.G. to me. I think it would be better if I told him. I feel that I can trust him more. I'll just tell him that I was downtown and heard it mentioned that the police were checking up on them.

Wakelin: That will be all right. If I hear anything more I will call you.

The "tip-off" apparently was successful in making it possible for the above mentioned couple to move out of Grace Goldstein's house of prostitution. A call at 6:22 P.M. on the same day, contained the following information:

Grace: Those people you spoke about left here this afternoon. I don't know whether they left town or not.
Wakelin: That's a good thing I guess. What do you know?....

Information was later obtained from another source that Akers was, in fact, at the time of the above calls, investigating the persons mentioned; that he made a check of their license plates, but when he desired to check further he learned that these persons had left town.

In an incident involving the handling of a stolen ring by Grace Goldstein, and a subsequent agreement between her and Chief of Detectives Herbert "Dutch" Akers, to "cut" the proceeds obtained from the sale of this ring, is contained a birdseye picture of corruption, bribery and lawlessness. Incident upon a policy of countenancing and practicing the operating of vice resorts in a city, the facts of the case are as follows:

On or about December 11, 1936, a man named Johnson who was wanted on charges of burglary at Donaldsonville, Georgia, was arrested at Hot Springs, Arkansas. Akers apparently learned from him that he had sold a "hot" diamond ring to Grace Goldstein. Akers then contacted Grace Goldstein, who finally admitted that she purchased this ring for \$15.00, and sold it for \$50.00. The final agreement whereby Akers and Grace Goldstein were to split the \$50.00 obtained from the sale of the ring, completes the story of graft and corruption, which is illustrated in the conversations that follow:

At 2:23 P.M. on December 11, 1936 Chief of Detectives Herbert Akers telephoned Grace Goldstein, the pertinent portions of the conversation being quoted:

Akers:This is Herbert Akers - what do you want me to do about that diamond you bought from that thief?
Grace: I don't know anything about buying any diamond.
Akers: Quit that stuff - This guy just kicked in and told me all about giving you the ring for \$15.
Grace: I've got a bunch of rings.
Akers: I'm talking about the one you got from that little fellow - you know the one I mean.
Grace: I didn't give him no \$15. he came up here about a week ago and borrowed a buck but I didn't let him have any \$15.
Akers: You want to talk to him -
Grace: Yes - I'll talk to him.
Akers: Wait - I'll send for him.

Grace: Are you still mad?
Akers: No - I'm not mad - never have been mad - are
you mad?
Grace: No - Say, why don't you go up to Sears Roebuck
and buy a stove?
Akers: I don't need any stove - I just bought one.
Grace: These are new - they burn either wood or coal
and they don't have any chimney.
Akers: Hell - I don't need one - might swap with them.
Grace: But this one doesn't have any chimney.
Akers: But what about the smoke?
Grace: Oh - that goes up the cheff's a---.
(Both laughed. Dutch called to prisoner -
"Come here Johnson".)
Johnson: Hello - Grace this is O.K. - I'll give you your
money back - it's all right. I'm in jail and
this will help me get out. Tell Dutch.
Akers: You remember, don't you?
Grace: Yes - I remember now I bought that from him.
Akers: Well, I guess I'll have to put you in jail.
Grace: Well, it won't be the first time - (laughs)
Akers: Well you want me to get your money back?
Grace: Yes -
Akers: Well I'm going to fix it up so he can get on the
ground over there and I'll dig it out of him.
Grace: O.K.

-0-0-0-

Grace: Dutch, this is Grace - try to fix that up - I sold
that ring and made \$50 on it.
Akers: Well - you certainly made a hell of a mess - I
guess I'll have to send you to the pen.
Grace: O.K.
Akers: You know where that ring came from?
Grace: Where?
Akers: From Nashville - they ordered that guy picked up.
Grace: You say you made \$50?
Akers: Yes - and I can't get it back.
Grace: I'll split that \$50.00 with you.
Akers: O.K. but don't you tell anybody.
Grace: Just between you and me, darling - O.K.
Akers: O.K.

Thereafter at 6:10 P.M. on January 9, 1937, the following
call made by Akers to the Hatterie Hotel, may or may not refer to the
payment by Grace to Akers of his share in the above transaction;

Grace: Hello.
Akers: Did you call me? Somebody did.
Grace: Yes, you were out. I've got that ready for you now.
I'll call a Postal boy and send it over to you right away. Don't say anything to anybody about it.
Akers: All right. No, I won't say anything about it.

Grace Goldstein then called Akers back at 8:43 P.M. on the same day, and said, "Did the Postal boy get that package to you?". When Akers replied that he had gotten it, she said, "OK, I just wanted to check to be sure you got it."

-0- DEATH OF JOHN DICKSON -0-

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John Dickson was one of the subjects of a pending National Motor Vehicles Theft Act Case in the Little Rock Field Division, based upon the theft of a Chevrolet Coupe at Hot Springs, Arkansas, which was transported to Talihina, Oklahoma, where a Ford V-8 was stolen, and thereafter the two cars were transported to the vicinity of Perryville, Arkansas. Investigation has disclosed that John Dickson, Alfred "Pug" Dickson and Robert DeMarr transported and stole these cars. The Hot Springs Police Department was also seeking the apprehension of these three men, not only for the car theft at Hot Springs, but for the robbery and burglary of a safe in the Blue Ribbon Club and the attempted burglary of a safe in the Ohio Club during the fall of 1935. Both of these places were wide open gambling establishments in Hot Springs, at that time, and were operating in violation of the laws of Arkansas.

On September 23, 1936, Joe Wakelin, who was then Chief of Police at Hot Springs, and other officers, conducted a raid at the farm of Walker Dickson, near Perryville, Arkansas, in an effort to apprehend these three men, but were successful as to DeMarr only. During the raid and while Chief Wakelin was guarding the fugitives' car, three men assaulted him and stole two pistols and a .351 calibre rifle from him. The guns were subsequently recovered, one revolver being found on Alfred Dickson at the time of his arrest. DeMarr and Alfred "Pug" Dickson are now incarcerated in the Arkansas State Penitentiary under sentences of five and two years respectively, for Grand Larceny. DeMarr and another individual named "Shorty" Price entered pleas of guilty to the robbery of the Blue Ribbon Club, and also implicated two policemen, one of whom is now dead. The other, whose identity was revealed as Charles Sellers, was the actor inflicted as an accessory.

Former police officer Charles Sellers was tried in the 18th Judicial Circuit Court at Hot Springs, Arkansas, on April 13, 1937, and was acquitted on a verdict directed by Circuit Judge Earl Witt. This verdict was instructed by Judge Witt after DeMarr and "Shorty" Price charged from the witness stand that they were tortured into confessing the robbery of the Blue Ribbon Club while in the Hot Springs city jail. DeMarr testified that L. A. (Arch) Cooper, former Day Captain of Police, and Cecil Brock, and one other officer, inflicted injury and torture on him to such an extent that he told untruths about Sellers and the others, and that Sellers was not in reality involved in the robbery at all. It might be stated that Charlie Sellers is one of the few who is opposed to the present Administration at Hot Springs, Arkansas.

On the morning of December 12, 1936, several members of the Hot Springs Police Department, headed by former Chief of Police

Joe Wakelin and Chief of Detectives Herbert "Dutch" Akers, with the assistance of the Arkansas State Rangers, conducted a raid at Prescott, Arkansas, and apprehended John Dickson, H. T. Ural and Alfred Fletcher. They were immediately brought to Hot Springs, and confined in the city jail.

At 11:30 A.M., on December 14, 1936, Detective Lieutenant Cecil Brock called Jake Strickler, Superintendent of the Auto Theft Bureau at Oklahoma City, Oklahoma, and advised him of Dickson's apprehension. Strickler inquired whether Dickson had anything to say, and Brock was overheard to say,

"We haven't worked him over yet, but when we do, I'll let you know."

The Sheriff at Perryville, Arkansas, called Brock at the Hot Springs Police Department at 5:05 P.M. the same day and inquired of Brock if they (Police Dept.) would turn John Dickson over to them for questioning. Brock was overheard to say,

"I think we'll keep him for three or four days and see what he knows - will call you when we're through with him."

It might be stated that the apprehension of John Dickson was not kept confidential by the Hot Springs Police Department and the newspapers at Hot Springs and Little Rock carried front page stories of his apprehension.

The next call which appeared to have some bearing on the case of John Dickson was made at 5:55 P.M., December 14, 1936, approximately eight hours after Dickson was received at the city jail in Hot Springs, by an unknown officer to Chief of Police Wakelin, at which time the caller informed Wakelin that the prisoner held upstairs was in very bad shape and needed a doctor immediately. Wakelin advised that he would proceed

to the station at once, whereupon the caller said,

"O.K., I didn't want to call a doctor without letting you know."

It appeared from the logs that at this time, or immediately thereafter the following police officers were present in the city jail at Hot Springs: Frank H. Tucker, Jailor; Lieut. Detective Cecil Brock; Detective Glenn Buchanan; Chief of Detectives Herbert "Dutch" Akers; Chief of Police Joe Wakelin; Patrolman "Red" Terry and Floyd Davis; and L. A. (Arch) Cooper, Day Captain of Police.

Detective Glenn Buchanan, who was one of the seven officers indicted for the murder of John Dickson, engaged in the following conversation with Dr. J. F. Merritt, City Health Officer, at 6:15 P.M., December 14, 1936, approximately 20 minutes after Wakelin was informed of the necessity of Dr. Merritt's services at the city jail:

Outgoing on No. 446.

Buchanan: Called 436 (Listed to Dr. J. F. Merritt, 1524 Central Ave.) -

Asked for Dr. Merritt.

Hello.

Doctor, can you come over to the jail right away to see a prisoner?

Is he sick?

No.

Is he hurt?

Some, I'll tell you when you get here.

O.K.

Nothing was again overheard over the telephones relative to Dickson until four days later, when Curtis Ridgeway, Assistant Prosecuting Attorney, called "Dutch" Akers at 1:38 P.M., December 18, 1936, and advised that he had heard through rumors that John Dickson's father was in town to get his son released on bond. Akers remarked to Ridgeway that he would not have very much luck in this connection, and then asked Ridgeway whether there would be any objection to taking Prisoner Dickson out of town. The reason for this move was not disclosed. Ridgeway remarked that he did not think that this would be necessary.

The logs also reveal that on December 18, 1936, Captain Arch Cooper and Dr. Merritt conferred with Mayor Leo P. McLaughlin early in the afternoon about some matter which probably was in reference to the Dickson case.

Thereafter, at 2:06 P.M., on December 18, 1936, Arch Cooper was overheard to say to the Mayor over the telephone:

"I don't think anything will happen this afternoon. I'll see or call you tonight and give you the details."

In the evening, at 6:05 P.M. (12/18/36) Captain Arch Cooper called Herbert, an employee of the Gross Mortuary, and said, after the latter advised that he would be on duty all night:

"I'm going to call you after a while and I want you to jump in one of your cars and drive to the city jail. When you get here, park the car in the driveway opposite the door where it says, 'City Jail'. I want you to take a fellow to the New Park Hospital and I don't want anybody to see you take him away. I want to get him out of here as quickly and quietly as possible. I also don't want you to tell anybody about this."

Immediately after the above call, Cooper called Dr. Merritt's home and left word with his wife to have the Doctor come to the city jail as soon as possible. Approximately five minutes later, Dr. Merritt called back the city jail and informed Jailer Tucker that he should advise Cooper that he would be at the city jail within the next fifteen minutes. A few minutes later, at 6:20 P.M. (12/18/36) Cooper again called Gross Mortuary and provided the following instructions to Herbert, with whom Arch Cooper previously talked:

"Herb, this is Arch. We're ready. Now, when you get over here back into the driveway to the door of the city jail - the doctor will be there and he will go to the New Park Hospital with you. Try and get out of here as fast as you can, and we don't want anybody to see us taking him away."

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Subsequently, after the above call, Dr. Merritt called the New Park Sanitorium from the police phone, and engaged in the following conversation with Miss Nash, who appears to be Superintendent of the hospital:

Outgoing on No. 445.

Dr. Merritt: 72089
Nurse: New Park Sanitorium.
Dr. Merritt: Miss Nash, please.
Nurse: Just a minute.
(Agent heard Dr. Merritt say to someone near the phone that this woman was A-1, and no one need be afraid of anything getting out of there.)
Hello.
My patient is on his way down there now.
He's already here - we have a nice warm room for him.
Fine! I'll be over later in a few minutes.

It might be stated at this point that the telephone logs reveal that both Herbert "Dutch" Akers and Chief Joe Wakelin were present in the police station at the time Dickson was apparently removed to the New Park Hospital in an ambulance from the Gross Mortuary.

The taps further revealed that about an hour after John Dickson was removed to the New Park Hospital, Dr. Merritt called from there and asked for Louis Hinkle, who was then a janitor around the City Hall, and upon being advised that Hinkle was not in, Dr. Merritt talked with Cecil Brock and informed him that Hinkle neglected to put the medicine he requested in the ambulance, and that he was in need of it. Brock told him he would look for it and send it to the hospital for his use.

A call which emanated from a nurse at the New Park Hospital at 9:10 P.M., on December 18, 1936 indicated that John Dickson was suffering from pneumonia.

According to news dispatches, John Dickson died at the New Park Hospital on the night of December 24, 1936, Christmas Eve. The death certificate, signed by Dr. J. F. Merritt, city health officer, gave pneumonia as the cause of death.

The telephone conversations overheard during the period December 18 to 24, 1936, disclosed that the following police officers guarded John Dickson during the above period while he was confined in the New Park Hospital: T. H. (Curley) Evans; John Murray; Floyd Davis; Albert Kelly; Garnett Moore; William Abbott; Glenn Buchanan; and one Griffin (special officer).

At 1:00 P.M. on December 19, 1936, the day after Dickson was removed to the hospital, officer "Curley" Evans, who was on guard duty at the hospital, called Chief Wakelin and advised that Dickson had the chills and Dr. Merritt suggested he be given a "hot toddy". Wakelin inquired how Dickson was getting along, and Evans remarked that he was in bad shape and that he (Dickson) may recover.

In a letter to Circuit Judge Earl Witt of Hot Springs, dated January 20, 1937, which appeared in the January 21, 1937 issue of the Hot Springs New Era newspaper, Scott Wood, local attorney who was more or less ~~mainly~~ responsible for the grand jury investigation of the death of Dickson, advised among other things, that when John Dickson's father and Mrs. H. L. Haynes tried to locate young Dickson that the Mayor, City Physician, City Police, and Municipal Judge, refused to give them any information whatever. The following call appears to have been made by Mrs. Haynes, and the manner in which Mayor McLaughlin stalled her off is apparently in substantiation of Scott Wood's charge as set out above:

Intending on No. 848

Woman: What did you find out about that boy?
Mayor: I told the Chief to investigate that matter.
Woman: I heard they got him in the hospital - if he's
in that condition that's the place for him.
Mayor: Yes, I should guess so.
Woman: I wish you could let me know what hospital he
is in.
Mayor: I'll look after it, and will let you know.

It was also noted that shortly prior to the above conversation with Mayor McLaughlin, Mrs. Haynes called the city jail and asked Tucker whether her nephew was in the hospital. Tucker advised that he did not know, and suggested she call Dr. Merritt at his office telephone, #471.

Subsequently it was observed that Mrs. Haynes called the city jail almost daily inquiring about the whereabouts of John Dickson's incarceration. In each instance the officer taking the call would advise her that he knew nothing of the case.

At 4:22 P.M., December 19, 1936, a few hours after Mrs. Haynes talked with McLaughlin at 11:35 A.M., for permission to visit her nephew, John Dickson, Curley Evans called Lieutenant Cecil Brock and asked him how he could be repaid for the liquor that he purchased for the use of prisoner Dickson. Cecil Brock suggested that he call Mayor McLaughlin about it, which would indicate that the Mayor was probably fully aware of the location of the Dickson boy at this time.

However, it appeared from the logs that Mrs. Haynes was unsuccessful in learning the location of John Dickson's confinement until 9:10 P.M. on December 19, 1936, when Night Captain Bob Moore, who appeared to have been previously acquainted with this woman, told her over the telephone that Dickson was confined in the New Park Hospital.

On the following day, December 20, 1936, Mrs. Haynes probably attempted to visit her nephew at the hospital, but was refused entrance and was probably referred to Dr. Merritt, as at 4:55 P.M., that afternoon Dr. Merritt called Chief of Police Wakelin and told him:

"Things don't look so favorable. I want to talk with you about this thing. Those folks are calling up at the hospital and also have been trying to get a hold of them all day. I don't know how they found he is up here. He's not better, that's what I'm afraid of. If anything, he is worse. Maybe we can get him out of town."

On the next day, December 21, 1936, Mrs. Haynes again called Mayor Leo McLaughlin and requested that she be permitted to see John Dickson, and if possible, secure the services of another physician for him. The following conversation reveals the manner in which Mrs. Haynes was again stalled off in seeing her nephew and getting for him better medical aid:

11:21 A.M., (12/21/36) Incoming on No. 548

Miss Marsh: Mayor's Office.

Mrs. Haynes: (Believed to be wife of uncle of John Dickson)

May I speak to the Mayor?

Mayor:

Hello.

Mrs. Haynes:

This is Mrs. Haynes. I just talked with Dr. Merritt.

Mayor:

Well, you'll have to straighten all that out

with him.

Mrs. Haynes:

Well, I did talk with him, but he wouldn't even tell me what hospital he was in.

Mayor: Well, Dr. Merritt is in charge of the case.

I don't know anything about how they handle those cases. They may be getting ready to take a statement.

Mrs. Haynes: Well, John's father is so worried and I wanted to get another Doctor to examine him.

Mayor: Well, you see Dr. Merritt and you call me later.

Mrs. Haynes: All right.

As stated heretofore, John Dickson died at the New Park Hospital on the night of December 24, 1936. Apparently not being satisfied with Dr. Merritt's official report as to the cause of young Dickson's death, the parents demanded an immediate investigation, charging that their son had been roughly handled by the police, and that this largely contributed to his death. In this connection John Dickson's father retained Scott Wood and C. Floyd "Babe" Huff to represent him in the investigation of their son's death. Also at this time they retained the services of Dr. Fred G. Burges, Dr. Euclid Smith and Dr. J. B. Stell, all of Hot Springs, to perform an autopsy on the boy's body.

After it became known that John Dickson's parents were pressing an investigation, and were determined to have the desired autopsy performed, Mayor McLaughlin called Herbert "Dutch" Akers at 5:00 P.M., on December 26, 1936, and suggested that he get Dr. Randolph and Dr. Thompson to witness the examination of Dickson's body. Both of these physicians apparently could not be immediately reached, by Akers, as a result of which he secured the services of Dr. H. King Wade and Dr. D. C. Lee to witness the autopsy.

At 8:36 P.M. this same evening (12/26/36) Dr. Wade reported to Dutch Akers that he viewed the autopsy in question, and in this connection he was overheard to say:

"There was a Hell of a lot done to that old boy. They found a skull fracture, six broken ribs, kidney torn wide open, bowels bruised and bleeding, and his testicles mashed. He sure was in a Hell of a shape. I took points on everything. I asked Dr. Stell and Dr. Smith for whom and why they were examining this body and they merely replied that they were asked to do it."

Dr. Wade was also overheard to say to Dutch Akers at that time that the autopsy was witnessed by Scott Wood, C. Floyd Buff, Prosecuting Attorney Houston Emory, Assistant Prosecuting Attorney Curtis Ridgeway, and the five doctors heretofore mentioned, which includes himself.

The following morning, December 27, 1936, Mrs. Haynes, aunt of John Dickson, telephoned Night Captain Bob Moore, one of the indicted officers for this murder, and thanked him for everything he had done for her in connection with this matter. He replied:

"Well, I'm not afraid of anything because I didn't even go upstairs while he was here and didn't have any part in it. When "Pug" (Dickson) was picked up (12/26/36) I told everybody that he was my prisoner and gave orders for no one to bother him and I know that he's been treated all right. Now don't forget - you haven't seen me, you know."

It will be noted from the above that by inference, Captain M. Moore admitted to Mrs. Haynes that John Dickson was actually mistreated and abused while confined in the city jail, Hot Springs, Arkansas.

On December 27, 1936, several telephone calls were exchanged between Mayor McLaughlin and "Dutch" Akers and others, which indicated their efforts in attempting to forestall a coroner's inquest in the case, which was requested by the elder Dickson. In this connection Mayor McLaughlin called Akers at 6:45 P.M. (12/27/36), and was overheard to say:

"Well, I told you about my conversation this morning with Randolph. You know where he lives don't you? It's out near my brother's place on the lake. I want you to go out there and get the message that he was going to give me. When I talked to him I could read between the lines and it looks like he wants to do something to help."

An hour later "Dutch" Akers called the Mayor and said:

"They tried to get him to do that but he passed it off very nicely."

The above quotation probably related to the demand upon Coroner Randolph by Dickson's representatives to hold an inquest in this case, as on the following morning the newspapers carried a story declaring that Dr. Randolph refused to hold an inquest in the case of John Dickson for the reason that he was not informed of the autopsy performed on the body until after it was made public. He further stated that any action in the matter would probably be taken up by the grand jury.

On the morning of December 29, 1936 the Arkansas Gazette at Little Rock, which newspaper does not favor the present administration in Hot Springs, printed a story on the front page, stating that the political machine that rules Hot Springs and Garland County apparently had succeeded in averting any real investigation of the Dickson case. The article went on to relate that Coroner J. P. Randolph refused an inquest under these circumstances, and gave as his reason therefor that an inquest would be unnecessary, because Circuit Judge Earl Witt would probably refer the matter to the grand jury in any event. The article further stated that it was hopeless to expect that a grand jury in Hot Springs would return indictments in connection with the death, and that the only hope of securing action in this case would be an investigation by the State of Arkansas.

It is pointed out that up to this time no evidence was overheard over the telephones indicating that either Circuit Judge Earl Witt or Mayor McLaughlin would take any action against those officers responsible for the injury and torture inflicted on Dickson. On the contrary, the evidence that was overheard definitely revealed that the Mayor and his political subordinates did everything in their power up to this time to block any effort of a probe of this death.

The day following the publication of the article in the Arkansas Gazette newspaper, heretofore mentioned, and which spoke critically of Coroner Randolph for refusing an inquest in this matter, it was found that Coroner Randolph called Mayor McLaughlin and arranged for a conference with him at 12:00 noon in the latter's office. That afternoon an editorial appeared on the front page of the Hot Springs newspaper which was captioned, "DICKSON DEATH DEMANDS AND MUST RECEIVE AN IMMEDIATE AND FULL INVESTIGATION". Information was received that this editorial was printed at the order of C. E. Palmer, publisher of both Hot Springs newspapers, and who, it will later be observed, is a "tool" of the Administration dominated by Leo P. McLaughlin at Hot Springs, Arkansas.

That evening, and after the above indicated editorial appeared in the local newspaper, Circuit Judge Earl Witt issued a call for a special session of the grand jury to investigate the death of John Dickson. It might be stated that earlier in the afternoon of the same

day, Carl E. Bailey who had not yet been inducted into office as Governor of Arkansas, made an indirect thrust at the Administration of Hot Springs, by publicly announcing that after he became Governor he would do whatever he could under existing laws to insure a thorough investigation in those instances wherein circumstances were such, as to indicate that local officers could not or would not do their duty.

Probably as a result of the above statement, and considering the attack made against the Administration by the Arkansas Gazette on December 29, 1936, it would appear that the Editorial which appeared in the December 31, 1936 issue of the Hot Springs New Era newspaper, and which was closely followed by Circuit Judge Witt's order for a grand jury investigation in this case, was an insidious plan by Mayor McLaughlin and Judge Witt, calculated to preclude a sweeping investigation of Hot Springs which at that time appeared imminent.

It is again pointed out that up until the time the Arkansas Gazette condemned and criticized the police at Hot Springs for the mistreatment of the Dickson boy, Mayor McLaughlin and his political subordinates did everything they possibly could restrain publicity and any investigation into this matter.

Shortly after the publicity accorded to the contemplated Grand Jury investigation in this case, Mayor McLaughlin suspended from the city payroll:

Chief of Police Joe Wakelin
Day Captain Arch Cooper
Lt. Detective Cecil Brock
Detective Glenn Buchanan

In a statement to the press concerning his action, the Mayor stated that he was suspending these officers, in order that they would not be clothed in any official capacity during the investigation by the grand jury.

On January 4, 1937 this Special Grand Jury returned an indictment charging Second Degree Murder, and named as defendants the following officers:

L. A. (Arch) Cooper
R. L. (Bob) Moore
Cecil Brock
Glenn Buchanan
Press Griffin
Joe Scott
Andrew (Andy) Irwin

All of these defendants were immediately released on a \$1500 bond.

Following the return of these indictments, several telephone conversations were overheard which indicated that the indicted officers were apparently not very much concerned over their predicament. In this connection Cecil Brock was overheard to say to his wife that evening,

"Don't worry - everything is being taken care of. It is just a political argument down here - don't worry. There were about 100 people wanting to sign our bonds."

Bob Moore was overheard to say to his sister, Mrs. Helen Trammel,

"There's nothing to it - just don't worry about it. I'll see you tomorrow, and we can then talk about it."

On January 7, 1937 Mayor Leo P. McLaughlin discharged the seven police officers who were indicted in this matter. He made no decision then as to Chief of Police Joe Wakelin, who was vindicated by the said Grand Jury.

JLM:epw

LEGISLATIVE INVESTIGATION OF THE
City Administration

at

HOT SPRINGS, ARKANSAS

-9-0-00-0-p-

A few weeks after the death of John Dickson, the prisoner who was alleged to have been beaten and tortured to death while confined in the Hot Springs city jail, a move was started to cause a legislative inquiry into the corrupt conditions in Hot Springs. It appears that this move was initiated by either Governor Carl E. Bailey or by Scott Wood, attorney-at-law and former Circuit Judge of the 18th Judicial District, both of whom are opposed to the present administration of Hot Springs. From the information obtained through the medium of telephone taps on the Mayor's and Police Department telephones at Hot Springs, Arkansas, supplemented by press releases, the following picture presented itself, which vividly reveals McLaughlin's power and influence in State and city politics and his corrupt inclinations and impulses in the fight he staged to keep intact the political machine he so successfully built up in Garland County over a period of 12 years while he has been Mayor of Hot Springs. In his attempt to accomplish these ends the information secured over the telephone taps reveal:

1. That Mayor McLaughlin, in spite of his influence and dominance over State and local politics, engaged in an unsuccessful attempt to block the introduction of the resolution which was to authorize the proposed investigation at Hot Springs.
2. That when it became apparent that the resolution would be passed, Mayor McLaughlin and his advisors impulsively directed their efforts to control the committee which was to be appointed to make this investigation.
3. That when it was thought by Mayor McLaughlin that the publicity arising out of the contemplated inquiry might jeopardize his position as Mayor of Hot Springs, he attempted through the press to distract the public's attention from the lawless and corrupt conditions existing in Hot Springs, by making it appear that politics and politics alone was the real reason for the intended investigation.

4. That during the course of the investigation McLaughlin took the lead in coaching and bringing pressure to bear on the witnesses who were to appear before the legislative committee, thereby handicapping and obstructing the investigation.
5. That when it was thought that the legislature might impeach Circuit Judge Earl Witt of the 18th Judicial Circuit, for malfeasance and misfeasance of office, Mayor McLaughlin exerted all his influence to avert this proposed move.

The resolution calling for an investigation of Hot Springs, Arkansas was introduced on January 14, 1937 by State Representative W. M. Thompson of Independence County, and the same was thereafter passed by that body by a vote of 72 to 21. On the same date, Speaker of the House John Bransford named as the committee to make this investigation, Representative W. M. Thompson, Chairman; Fred Jones, Montgomery County, Vice-Chairman; Lee Nichols, Logan County, Secretary; Pat Robinson, Lafayette County; and Ike Murry, of Dallas County. The resolution, in addition to authorizing an investigating committee, also authorized the appointment of an attorney for the committee, and an investigation of the 18th Judicial Circuit, which includes Garland and Montgomery Counties. John R. Thompson, of Little Rock, Arkansas, was appointed attorney for the committee.

The adopted resolution contained the following allegations:

1. That it was common knowledge that open gambling houses were conducted in Hot Springs.
2. That slot machines were operated near the public schools and frequented almost exclusively by school children.
3. That public officials are owners or part owners of some of the gambling devices.
4. That public officials receive pay for part-time services in gambling houses.
5. That the 18th Judicial District circuit judge interfered with investigation of alleged shortages by Montgomery county officials.
6. That the primary election laws were violated in 1936, in the selection of poll officials.

7. That Mayor Leo P. McLaughlin of Hot Springs threatened city and county officials and employees of gambling houses that if they did not vote "the entire machine ticket" they could not work in the city of Hot Springs.
8. That the "political machine of Garland County" printed 10,000 marked ballots and that election clerks handed these ballots to voters in the August primary.
9. That the "political machine" purchased 4,000 tax receipt pts and distributed them to transients and other illegal voters.
10. That Gibson Witt, Jr., and Curtis Ridgeway "made a deal" by which Ridgeway agreed to withdraw from the race for prosecuting attorney against Witt if the latter would appoint him deputy prosecutor if elected.
11. That the circuit judge of the 18th district took an active part in behalf of candidates endorsed by the "political machine."
12. That a nationwide scandal grew out of the murder of a prisoner in the city jail at Hot Springs.
13. That there is gross discrimination in the treatment of prisoners leading the general public to believe that certain notorious criminals can obtain protection under public officials at Hot Springs.
14. That it is alleged that certain murders committed by certain said protected criminals have never been investigated.
15. That local authorities sought to prevent the extradition of Charles "Lucky" Luciano from Hot Springs.
16. That the murderers of two enrollees of a C. O. C. camp in said judicial district have been protected by officers charged with the duty of apprehending and prosecuting them.

As to allegation No. 1, it is stated that the administration of Hot Springs does not deny this, and that they take the position that gambling has been open and public in Hot Springs for the last twenty years and during the administration of Judge Witt.

Allegation No. 4 appears to refer to the employment of police officers as guards in the Southern Club and Club Belvedere, which places are owned by W. S. Jacobs, the gambling czar of Hot Springs.

Allegation No. 14 apparently refers to the homicide in Hot Springs, wherein a cab driver was killed by George McLaughlin, who is a brother of Mayor Leo P. McLaughlin.

The first indication that a resolution would be introduced in the State legislature which convened on January 12, 1937, providing for a committee to investigate conditions at Hot Springs, was reflected in a short news article which appeared in the Hot Springs newspaper on January 7, 1937. Immediately the political machine dominated by Mayor McLaughlin in Hot Springs moved into operation, and with the dependable financial aid of William S. Jacobs, the gambling czar of Hot Springs, the movement began by attempting to keep the resolution from becoming public and from being introduced into the legislature for consideration. The picture begins with the following telephone conversation: At 9:49 A.M., on January 7, 1937, Mayor McLaughlin telephoned W. S. Jacobs at his home and in referring to the above indicated news article, said --

"Now here's what I thought - Jim Campbell is unusually close to the Speaker, and is the kind of fellow that can get around. We can send Jim up there ahead of time, and he can go around to his friends and talk with them about this thing. Now, He claims it will cost about \$50.00 to move there with his family, and stay there for three or four days until the Assembly opens. While he's there he can devote his entire time in contacting his friends. What do you think?"

When Jacobs replied that he thought it would be a good investment, McLaughlin said --

".....I'll try and get him to go over there this afternoon - I feel that the sooner he gets there, the better it will be for us."

James R. Campbell is one of the two State Representatives from Garland County, Arkansas, the other being Ernest Maner. A few minutes after the above call with Jacobs, Mayor McLaughlin called Campbell at his office and asked him to come to his office, stating, "I want to take care of that thing we were talking about."

The next day, Grady Manning, who is President of the Southwest Hotels, Inc., and who does not appear to hold a political office in the State of Arkansas, and who appears to be a powerful political figure in the State, and especially close to Mayor Leo P. McLaughlin, telephoned the latter at 11:21 A.M. (Jan. 8, 1937), and advised that Rev. Lee Nichols of Logan County, Arkansas, expected to introduce

some resolution in the House of Representatives during the following week. He indicated that Speaker of the House John Bransford permitted him to read the resolution and that it contained some serious allegations and charges which were directed at the administration of Hot Springs. Mayor McLaughlin at this time informed Mr. Manning that the resolution in question was written and sponsored by Scott Wood, and Joe Denby, who was defeated last fall by Earl Witt for Judge of the 18th Judicial Circuit of Arkansas. In further discussing this matter with Menning, the later indicated that possibly Speaker Bransford could assist them in killing this resolution in the House, stating that Bransford was their friend. The wind-up of this conversation was that Representative Campbell, John Bransford, Grady Manning and Mayor McLaughlin were to meet in Little Rock that afternoon and discuss what means to follow in the matter of blocking the introduction of this proposed bill.

Desiring to know whether Governor Carl E. Bailey was behind this suggested investigation, Mayor McLaughlin telephoned Joe Schneider, who is Referee in Bankruptcy at Little Rock, Arkansas, and inquired of him what Governor Bailey's reaction was to the proposed resolution. Schneider said -

"Well, I talked with Carl yesterday about that. I don't think he has a personal interest, but he says he does not want me to go poking around. He said that those things will have to be reckoned with sooner or later. He also said that those indictments should have charged murder if it was murder. I told him that that was just the view of an old prosecutor. Carl told me he didn't order the investigation. I talked with him for about 30 minutes. If you have any other contacts send them over to talk with him because I think that best."

The telephone calls that followed from this point disclosed that Mayor McLaughlin called the following known political political figures in the State of Arkansas, and solicited their cooperation in an effort to keep the contemplated resolution from being introduced in the House of Representatives:

Carroll Hollingsworth, Parliamentarian of House of Representatives
John Bransford, Speaker of the House of Representatives
Guy Williams, former Assistant Attorney General
Joe Schneider, Referee in Bankruptcy, Little Rock

Ed McHaney, Jr., State Representative, Pulaski County
James R. Campbell, State Representative Garland County
Ernest Maner, State Representative, Garland County
Walter Wheatley, State Senator, Garland County
Louis L. Buerkle, State Representative, Arkansas County
W. Kamp Toney, State Representative, Jefferson County
Jerry Witt, brother of Circuit Judge Earl Witt, and
attorney of Hot Springs.
A. T. "Sonny" Davies, City Attorney, Hot Springs
Verne S. Ledgerwood, Municipal Judge, Hot Springs

In order to present some picture of the set-up worked out by Mayor McLaughlin in this connection, the following conversation between Circuit Judge Earl Witt and the Mayor, which was overheard at 10:54 A.M., January 12, 1937, is set out:

Incoming on No. 848

Mayor: "Hello?"
Earl: "This is Earl at the Court House. Have you heard anything?"
Mayor: "Well, I talked to Grady and he says everything looks all right. Our man Hollingsworth reported and it looks like we've got a pretty strong front."
Earl: "Well, that's fine."

It was observed from the telephone taps that the group of proponents of the resolution in question called upon Governor Bailey on the morning of January 13, 1937, and conferred with him about this matter. It was stated by Grady Manning in his conversation with Mayor McLaughlin at 3:15 P.M. on this date, that Governor Bailey was in favor of the investigation, and tended to encourage it. He also stated at this time that John Bransford, Speaker of the House, could be relied upon to do all he could to block the introduction of the bill in the House; in fact it was mentioned that Bransford refused to hear it during the morning session of the House on January 13, 1937.

In a later conversation by McLaughlin with Jack Holt, State Attorney General, and Ed McHaney, Jr., State Representative from Pulaski County, it was indicated that Governor Carl E. Bailey instigated the resolution that called for the investigation at Hot Springs.

When it became apparent that the legislature at Little Rock would pass the resolution in spite of the Mayor's strenuous efforts through his contacts to thwart the same, he telephoned Municipal Judge Verne S. Ledgerwood immediately after he talked with State Representative W. Kamp Toney of Jefferson County, and engaged in the following conversation, which to some extent summarizes the previous efforts, his reaction to the certainty of the bill being passed, and an indication of his next move in this regard:

10:25 A.M., Jan. 14, 1937, outgoing on No. 643 JLM

Mayor: 743.

Ledgerwood: Hello.

Mayor: I was talking with Kamp - they apparently haven't done any work on this thing. He said they are going to pass it. I indicated to him that we would like to have the thing deferred for a while, and then have a talk with him about managing this proposition. Of course I couldn't tell him just what I wanted to say over the phone. But he said they're going to push it through all right. He said that another preacher named Thompson is going to introduce it, and that he is plenty smart and shrewd, and knows how to do it,

Ledgerwood: Well, I guess that's that.

Mayor: Here's what I think their reaction will be here - it is going to solidify us. The people down here don't want the town torn up by any legislature. I don't think it will hurt our position. Let those fellows get this out of their system. Maybe they'll let us alone after that. If we continue to thwart their efforts now, they'll be down on our necks with everything. I don't right now see any ray of sunshine on this thing, and there's nothing more that can be done.

Ledgerwood: Well, there's nobody that can say we didn't try.

Mayor: No, there isn't. I called everybody I thought could do us some good.

10:53 A.M., Jan. 14, 1937, outgoing on No. 643 JLM

Mayor: 743.

Ledgerwood: Hello,

Mayor: Have a different thought about this. All the wise guys over there now know about this. If we were successful in getting this resolution blocked, we would have 25 more of them thrown in our laps. You see what I mean?

Ledgerwood: Yeah - if anybody over there wanted to be fixed on a thing like this we would be doing it for the rest of our lives.

Mayor: That's exactly what the situation would be. Let them get their investigating committee down here and attempt to find what they can - maybe they will let us alone then.

Ledgerwood: Well, Leo, if that thing is passed we will have to get to the Chair.

(Interrupts) Never mind that.

Ledgerwood: I think you're right on your thought. If this don't happen now, they'll be draining us until we get out.

Mayor: Kemp was telling me that they were showing pictures of John Dickson's body around there. I told him, "Hell, those fellows responsible for that were indicted - that is as much, if not more, than any other county would do."

Ledgerwood: Well, call me if you hear anything more.

Shortly after McLaughlin talked with Judge Ledgerwood, as above set out, the Hot Springs New Era paper, which clearly favors the administration, called McLaughlin and informed him that the resolution in question was introduced by Representative W. M. Thompson, and was immediately passed by the legislature by a vote of 72 to 21.

Defeated in their first endeavor, the next move by the three men who appear to be the nucleus of the administration at Hot Springs, was directed to the fixing of the personnel which was to make the authorized investigation. To bear this out, the following series of portions of conversations are being set out hereunder. Immediately after it became known that the proposed legislative investigation would be adopted by the legislature, A. T. "Sonny" Davies, the City Attorney, in talking with the Mayor at 12:05 P.M. on January 14, 1937, said

"The thing that should concern us right now is the personnel who will make this investigation..... The personnel of that committee is the determining factor now - let them come down here."

Further evidence of this innate corruption of the administration is revealed in a conversation between Mayor McLaughlin and Carroll Hollingsworth, which took place at 3:20 P.M. on the same date (1/14/37), the resolution was passed. In this call the Mayor asked Hollingsworth whether their mutual friend John Bramford had appointed a committee, to which Hollingsworth replied:

"No. I talked with him a while ago and he said he would give each side two, and appoint the other one, and he will be OK."

Immediately after this call, Mayor McLaughlin telephoned Municipal Judge Verne Ledgerwood, and in response to the latter's inquiry as to whether he had as yet made any connections relative to the appointment of the investigating committee in this case, and the Mayor advised that he was working on it then.

On the afternoon of January 14, 1937, Speaker John Bransford appointed the following men as the committee provided by the resolution to make the authorized investigation:

W. M. Thompson, Chairman
Fred Jones, Vice-Chairman
Lee Nichols, Secretary
Pat Robinson
Ike Murry

JLM:cpw

A few days after the raid of January 29, 1937, Mayor McLaughlin appeared before the Hot Springs City Council and denounced the reform element which he said was trying to ruin business conditions in Hot Springs. He further indicated to the Council that the closing of the bookmaking establishments in Hot Springs would result in an approximate loss of \$20,000 to the city of Hot Springs, and that the only solution he could see that would make up this loss would be a decrease in the city payroll or increase the occupation tax. The same statement appeared in the following day's newspapers and that morning Mayor McLaughlin, in talking with his attorney at Little Rock, Grover Owens, said,

"...Notice my piece. That's facts. I think that that happened here did our position good - made it stronger. Those sons of bitches are after me, and don't have anything on me they can prove. They don't care about Judge Witt. The merchants here are all wrought up over that raid, so it really did my position good for them to burn that stuff - see what I mean? They know that Scott Wood really wrote that resolution, and therefore my position is much better. Business is falling off - the newspapers and radio have broadcasted it everywhere, particularly in Florida, that Hot Springs is closed up, and the Belvedere is closed. People are leaving hotels, and the few left here have to stay cooped up in their rooms because there's no place for them to go. All that helps my position because the merchants realize it now."

From the above call it would appear that the objective in McLaughlin's public denunciation of his political enemies and the reference to the financial crisis faced by the city of Hot Springs due to the closing of the bookmaking establishments, was calculated to hold the sympathy of the local citizenry in his favor, and to solidify his position as Mayor of the city. Carrying out this point further, it was observed at this time and throughout the entire period of the legislative investigation, Mayor McLaughlin, in discussing the inquiry with various persons, including the press, persistently reiterated that Scott Wood was responsible for the investigation of Hot Springs, and that the same was purely a matter of political "sour grapes". It was obvious that McLaughlin was trying to divert the attention of the public and the State legislature from the lawlessness and corruption existing, and make it appear that the investigation was the result of political jealousy on the part of Scott Wood. In this connection the Hot Springs newspapers, as well as the Arkansas Democrat at Little Rock, did their share in conveying this impression to the citizenry of Hot Springs, and to the public at large.

The morning that Mayor McLaughlin's statement denouncing the reform element in Hot Springs appeared in the newspapers, Representative James R. Campbell called from Little Rock, and asked Mayor McLaughlin what the reaction to his statement was. The Mayor replied that his secretary, Hazel Marsh, a short time before told him that eighty calls had already been received from all over the town, commanding him on his speech before the City Council. The logs for that day disclosed that only two calls were actually received by him in this regard.

Chief of Detectives Herbert "Dutch" Akers telephoned former Chief of Police Joe Wakelin at 3:56 P.M. on February 3, 1937, and said,

"Things are still upset..... I was up to Little Rock and they told me. They are trying to get Leo. They are willing to put Jake (W. S. Jacobs) back in business, but they want to put someone else in charge of the _____ money. They are shooting at Leo through Earl Witt. I have been doing a little work for them, and I told Leo, but he says we ought to sit tight."

The above call would indicate that the Legislative inquiry was no so much designed to put an end to the lawlessness and corruption in Hot Springs, but rather to wrest from Mayor McLaughlin his power and influence in controlling gambling, and hand it over to certain persons in the present State Administration for their own monetary gain.

Subsequent conversations heard over the Mayor's telephone tended to show that Grady Manning, President of the Southwest Hotels Inc., is behind the powers that want the control of the gambling in Hot Springs.

For several days after the raid of January 29, 1937, at Hot Springs, there appeared to be considerable discord and dissension among the members of the legislative committee. It seemed that Representative Lee Nichols ordered the above raid without first consulting the other members of the committee. It was reported by Carroll Hollingsworth to Mayor McLaughlin that Representatives Pat Robinson and Lee Nichols almost came to blows because of this. Mayor McLaughlin appeared to be considerably pleased at this strife, and frequently expressed his pleasure over the telephone as to this.

It will be recalled that when the committee that was to make this inquiry, was selected by Speaker Bransford, that Representatives Thompson and Nichols were probably appointed because they were strongly in favor of the proposed investigation; that Representatives Fred Jones and Pat Robinson were probably selected because they were in sympathy with the Administration of Hot Springs; and that Representative Ike Murry probably was named because he indicated no preference.

Mayor McLaughlin, apparently feeling somewhat certain that Representatives Jones and Robinson could be relied upon to act and vote to the best interests of the Administration, did everything in his power to influence Murry's sympathy in the direction of the Administration. The calls, which will be hereinafter set out, relate to his and other persons' activities in this endeavor. They will also show Murry's attitude and stand concerning the investigation from time to time during it's progress. For instance, on January 31, 1937, Carroll Hollingsworth, Parliamentarian for the House, who was bribed by the Administration to vote and decide issues in their favor, called Mayor McLaughlin at 2:00 P.M., and in response to the latter's inquiry as to how Murry was doing, Hollingsworth said,

"Well, first he is one way, then another. I think he is too young to know what it's about. I have a man who is going to talk to him."

Another illustration as to the Administration's interest in Representative Ike Murry is well exemplified in the following two calls, the first one being from Jerry Witt to the Mayor's secretary at 8:48 A.M., on February 5, 1937, at which time Witt said,

"Tell Leo that Ike Murry is getting wobbly. I talked with Fred Jones this morning and he told me about it."

Immediately after the above call, Miss Marsh telephone Mayor McLaughlin at Little Rock, and reported,

"Jerry Witt called and said that his friend over there (probably Jones) said "he" done an about-face. You'd better get in touch with him while you're over there.... Better do something."

A third clear-cut illustration of the Administration's effort to "reach" Ike Murry in the hope of controlling the Legislative Committee, is reflected in the call below from A. T. "Sonny" Davies, City Attorney, to Miss Marsh, at 11:01 A.M., on February 8, 1937, at which time Davies said,

"Tell him the Sheriff of that county is named Will Benton and a right type of fellow, and probably would have a great deal of influence on that man he wants to. Have him contact Benton through somebody."

In response to Miss Marsh's inquiry as to whether he had any suggestion as to who could do it, "Sonny" replied -

"There are people here who could do it, but I don't want them. Let him handle it."

It was determined that Will Benton is the Sheriff of Dallas County at Fordyce, Arkansas. Inasmuch as Representative Ike Murry is also from Fordyce, Arkansas, it is probable that the unknown individual referred to in the above call is Ike Murry.

Shortly after the raid of January 29, 1937, it became apparent and publicly known that the Legislative Committee was directing their investigation against Circuit Judge Earl Witt, with the view in mind to having him impeached from the bench. As it will be noted throughout this entire report, Judge Witt, although holding the highest office in Garland County and Hot Springs, is nevertheless subservient to Mayor McLaughlin, and is dominated and controlled by him. The conversations below disclose the Mayor's interest in restraining any publicity reflecting adversely upon Judge Witt's character.

On January 31, 1937, Carroll Hollingsworth reported to Mayor McLaughlin that the Legislative Committee was "out to get" Judge Witt on the grounds of bribery, drunkenness in public and in court, and gambling at the race track. In response to this Mayor McLaughlin said,

"....Maybe some of those charges are true, but what of it? Everybody has a drink once in a while, and there is nothing illegal about betting at the track - as long as he don't drink around the court..."

Immediately after the above call, McLaughlin conversed with Grady Manning in regard to Judge Witt, and when the latter reported that the committee had nothing on Witt, McLaughlin said,

"Yes, I know, but I wouldn't like to see a lot of charges, even though he could not be proven.... I wish they would be careful not to report anything they can't prove and cause the man grief."

It will be recalled that it was hereinbefore stated that Grady Manning might be behind the forces who want to wrest from Mayor McLaughlin

his interest and control over gambling in Hot Springs for their own monetary gain. It appears from the following conversation that Manning is attempting to accomplish this by inducing Judge Witt to resign from the bench. In this connection a call was received from a man named Kemp, who might be identical with the Postmaster of Hot Springs, to Mayor McLaughlin on February 2, 1937, in which Kemp said,

"Leo, I was just down in the lobby talking to Grady Manning.... I can't figure Grady out or what he is up to. He's been talking to Witt.... He is telling Witt they got a lot on him - that kind of stuff, and him scared up. I told Witt to go on over and see you."

It would appear from the above conversation that Grady Manning, whose chain of hotels includes the Eastman and Majestic Hotels in Hot Springs, is a sinister figure in this thing, and intended to put the pressure on Judge Witt in the hope that he would resign from the bench, and thus greatly weaken one cog in the political machine dominated and controlled by McLaughlin. The following paragraph of a memorandum prepared by Special Agent J. R. Calhoun, reflecting a dinner conversation he had with Ike Murry on February 17, 1937, clearly illustrates Manning's activities as to Judge Witt, and also vividly reflects Mayor McLaughlin's strong arm tactics in this particular matter:

"Murry told me H. Grady Manning, Little Rock, Arkansas, had become alarmed at the trend of the Legislative Committee inquiry a short time ago and had telephoned Circuit Judge Earl Witt at Hot Springs, Arkansas, and suggested that Witt resign his position and thereby "turn off the heat" to some extent. Witt told Manning over the telephone that he thought favorably of the suggestion, and that he would come to Little Rock that afternoon to see Manning at his office in the Marion Hotel. However, about one-half hour after Manning had talked over the telephone with Judge Witt, he received a call from Mayor McLaughlin at which time McLaughlin stated emphatically that Judge Witt would not resign and that, furthermore, Judge Witt would not come to Little Rock at all that day. Later that afternoon Witt telephoned to Manning that he would come over immediately to confer with him. McLaughlin learned of this latter conversation and thereupon sent one or two car loads of "bodyguards" to Little Rock, and a few of these men watched the approach to the office of Mr. Manning's on the mezzanine floor of the Hotel Marion, while others watched the Hotel lobby and some watched outside the Hotel to intercept Judge Witt. However, Judge Witt did not come

to Little Rock at all. Murry told me that his opinion was that Judge Witt was well qualified from a knowledge of law to be a circuit judge, but that whiskey had been his downfall and that he undoubtedly had been put in as Judge by the Hot Springs "ring" because they knew that they could deal with him as they pleased."

On the morning of February 8, 1937, Mayor McLaughlin, with the assistance of Sheriff Marion Anderson, telephoned approximately fifty business men in Hot Springs, and instructed them to be at the Mayor's office in the City Hall at 1:30 P.M. that afternoon. At 4:20 P.M. that day, Mayor McLaughlin placed long distance calls to Representatives James R. Campbell and Ernest Maner, and State Senator Walter Wheatley. The conversations with Representative Maner and Senator Wheatley clearly exemplify the Mayor's control and dominance over these State Representatives from Garland County. In speaking with Mr. Maner at 4:30 P.M. on this date, Mayor McLaughlin said,

"There is a bunch of people leaving here to be at the Wallace Building where the committee meets, just before seven o'clock. You and Jim (Campbell) and Wheatley meet them. Jesse Murphy is to be the spokesman. Tell Campbell and Wheatley and be sure that they get in to the committee hearing."

McLaughlin subsequently telephoned the same instructions to Representative Campbell and Senator Wheatley. The next day's newspapers revealed that this delegation appeared before the Legislative Committee and through their spokesman, testified in behalf of Judge Witt, stating that he had been Circuit Judge at Hot Springs for 15 years, and that they always had confidence in his honesty, integrity and ability. This testimony was read to the Committee in the form of a written statement, which undoubtedly was prepared for this purpose by Mayor McLaughlin. It is pointed out at this juncture, that apparently Judge Witt had nothing whatever to do with the sending of this delegation to Little Rock in his behalf, and that the entire venture was conceived and worked out by Mayor McLaughlin.

During the Legislative Investigation, various city officials and gamblers were subpoenaed from time to time to appear before the legislative committee to furnish testimony. Mayor McLaughlin again took the lead in the way of intimidating these witnesses, coaching them, and attempting to break down the credibility of those who testified against the administration, by introducing criminal records or affidavits reflecting adversely upon their characters. A few illustrations of these instances are revealed in the following calls:

It will be recalled that on the night of January 15, 1937, various gamblers, racketeers, and city officials were served with subpoenas to appear before the legislative committee the following morning. Immediately after the service of these subpoenas by the State Rangers, McLaughlin ordered all these persons to be at his office the following morning at seven o'clock for a meeting. What transpired at this meeting of racketeers, gamblers and city officials can only be conjectured. However, it was indicated in the press that not much evidence of any kind was secured by the Committee at that time from these witnesses.

On February 3, 1937, Mayor McLaughlin telephoned Bob Dean, a reporter on the local newspapers in Hot Springs, and said to him ---

"Well, the committee is fighting among themselves now. Yesterday they had John Fatheree, Carlos Lovel and Charlie Sellers over there before them. Naturally our man there (Carroll Hollingsworth) let them know whose kind of testimony they were listening to - you know - John Fatheree at one time was convicted of kidnaping a Federal officer; Carlos Lovel at one time was convicted of burglary..... and Charlie Sellers was also convicted and served some time. Looks like they're determined to hear someone, no matter who it is?"

On February 9, 1937, Municipal Judge Verne Ledgerwood called Mayor McLaughlin at 11:39 A.M., and informed him that his brother, Archie Ledgerwood, received a subpoena. He went on to say, "I thought you would want to look at it. He'll be by about 2:00 P.M. and we'll talk to him."

It was noted that Archie Ledgerwood's testimony before the legislative committee the following day was false and untrue.

On February 17, 1937, the legislative committee announced to the press that they had completed their investigation and would deliver their report the following day, which they did. The majority report, signed by Representatives W. M. Thompson, Lee Nichols and Ike Murry, recommended impeachment proceedings against Circuit Judge Earl Witt, the appointment of a new judge pending

impeachment proceedings, and a new grand jury selected at Hot Springs to investigate misfeasance and nonfeasance in office on the part of officials at Hot Springs. The minority report, submitted by Representatives Pat Robison and Fred Jones, stated that they found no just grounds for further action by the legislature, and recommended that further action against Judge Witt be indefinitely postponed. The minority report further stated that they were of the opinion that the investigation was nor fair or impartial.

On this date both reports were referred by the Speaker of the House, John Bransford, to the Judiciary Committee for appropriate action. However, on February 19, 1937, the Judiciary Committee reported a vote of 27 to 2 on a motion that the matter be taken out of it's hands, as they did not want to have anything to do with it. The matter was then referred to the House as a committee of the whole for appropriate action.

On February 22, 1937, the House, acting as a committee of the whole, passed a resolution not to vote impeachment of Judge Witt by a vote of 70 to 20, and thus terminated the legislative investigation.

It might be stated that the taps on the mayor's telephone were not in operation from February 10, 1937 to February 23, 1937, and therefore no intimate details which might have been attendant upon the impeachment proceedings against Circuit Judge Earl Witt, were overheard.

In winding up this matter of the legislative investigation of Hot Springs, it is contended from the facts disclosed over the telephone taps, and from the evidence heard by the legislative committee, that Circuit Judge Earl Witt personally is "small fry" in the corrupt political set-up in Hot Springs, and that the extreme efforts by Mayor McLaughlin to keep the committee and the House from initiating impeachment proceedings against Judge Witt was not a matter of love and affection, and fairness for an old man, but was solely to satisfy his own selfish and financial interests, which he could only accomplish by a continued dominance and control over the judiciary of Garland County, Arkansas.

JLM cpw

POSSIBLE "FIXING" OF JURY IN THE JOHN DICKSON CASE

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Probably to preclude a Legislative or State investigation into the death of John Dickson, Circuit Judge Earl Witt called together a Special Grand Jury on December 31, 1936, to make this investigation. The following named individuals were the members of that body that heard the evidence in this case: Charles Goslee, foreman; I. C. Beam, H. J. Coomber, H. T. Schrader, Gil H. Mootan, M. O. Clark, J. E. Collins, J. B. Wheatley, Jack Bayles, Roy Taylor, G. L. Murrill, A. J. Jett, Reed Farmer, Will Page, and E. I. Puckett.

It was observed during the five months of telephone surveillance at Hot Springs, that each one of the above named individuals are proponents of the City Administration, and are especially close to Mayor McLaughlin. Charles Goslee, who was the foreman of the grand jury, is general manager of the Hot Springs newspapers, which papers, as it has been hereinbefore stated, are a contributing factor to the civic corruption existing in Hot Springs.

Although the Grand Jury returned Second degree murder indictments against seven officers of the Hot Springs Police Department, three of whom were mere patrolmen, it is especially pointed out that no indictment was returned against Chief of Police Joe Wakelin and Chief of Detectives Herbert "Dutch" Akers, both of whom participated in the arrest and subsequent questioning of John Dickson in the Hot Springs City Jail. The grand jury merely criticized Joe Wakelin for not having exercised more dominate control over his men, pointing out that had he done so, the circumstances which were revealed in the investigation would not have existed.

Conversations overheard around this period definitely disclosed that Mayor Leo P. McLaughlin took a part in the selection of the jury which was to make this contemplated investigation. It was also determined that Municipal Judge Verne S. Ledgerwood arranged to and talked with the two colored men on the jury, namely Will Page and E. I. Puckett, under suspicious circumstances during the time the investigation was in progress. Further conversations overheard revealed that Judge Ledgerwood used his influence with the foreman of the grand jury, in having Joe Wakelin excused from appearing as a witness. It is reported that Wakelin is a brother-in-law of Judge Ledgerwood.

The following conversations suggest some irregularity on the part of Mayor Leo P. McLaughlin in selecting the grand jury which was to make this investigation of Dickson's death: On the morning that Judge Witt announced that he would call a Special Grand Jury to investigate this matter, Mayor McLaughlin called John K. Jones, Clerk of the Circuit Court, and said,

"Say Johnny, in your own handwriting give Emory (Houston) a list of those fellows who are going to meet up there next Monday."

Note: The person referred to as Houston, is probably Houston Emory, who at that time was Prosecuting Attorney.

Approximately two hours later some unidentified man, who could have been either Houston Emory or John E. Jones, called Mayor McLaughlin and said,

"Leo, scratch that last name off, and put in it's place - G. L. Merritt."

It should be noted that G. L. Merritt was a member of the Grand Jury, and his name would indicate that he is probably a kin to Dr. J. F. Merritt who treated John Dickson after he was apparently beaten up by certain members of the Hot Springs Police Department.

The Grand Jury began its investigation on the morning of January 4, 1937, and at 4:36 P.M. that afternoon Municipal Judge Verne S. Ledgerwood telephoned Herbert "Dutch" Akers at the Police Department, and engaged in the following conversation with him:

Incoming on #123

Ledgerwood: Is Dutch there?
Akers: Hello
Ledgerwood: This is Verne. Do you know
the two colored fellows on that
jury - one's name is Page, I
believe.
Akers: Yes
Ledgerwood: I wish you would contact them
and tell them I want to see
them in front of the City Hall
at 8:30 in the morning.
Akers: O. K. pardner.

It is pointed out that there were two men on the grand jury in this case, their names being Will Page and E. I. Puckett.

Special Agent John L. Madala covered the appointed meeting on the following morning, and observed two colored men talking with Judge

Ledgerwood at approximately 8:55 A.M. in the rear of the Rock Island Depot, which is located across the street from the City Hall. Agent Madala, of course, could not overhear the conversation which took place between these three men, lasting about ten minutes, but after they departed, this agent followed the two colored men to the Grand Jury room in the Garland County Court House.

The Grand Jury remained in session for three days, hearing evidence supplied by some 37 witnesses, and at approximately 5:30 P.M. on January 6, 1937 the indictments in this case were returned. Earlier that afternoon at 3:30 P.M., Mayor McLaughlin telephoned Judge Ledgerwood at his office, and discussed with him a conference he previously had with a member of the Grand Jury, and in which he tells Ledgerwood what the probable findings of that body will be. This conversation, which is quoted in full below, definitely reflects the Mayor's close contact with certain members of the Grand Jury during the time they were in session hearing the evidence in this case.

5:35 P.M. (January 6, 1937) Outgoing on 843

Mayor: 743 (Judge Ledgerwood)
Hello.
Mayor: What do you know -
Heard anything?
Ledgerwood: Was talking with Dink (probably Leon Din-kelspeil), and it looks like they're going to leave me without anyone.
Mayor: Is that so?
Looks like everybody is involved but Joe, Dutch, and Robbins. He said that in their report they're going to commend me for my cooperation.
What did he say about Joe.
The only criticism they had about Joe was that he was too lax with the men - that he let Arch and Cecil run things..... Higgins was telling me that Gil (probably Gil Wooten) uncovered something this morning that will involve the rest of them.
Yeah -
He also asked about Joe's health. I told him that he's been sick for the past year, and that the beating it got from those boys didn't help him any. I tried to leave with him the impression that a man as sick as Joe could fulfill his duties as well as otherwise, and that that was probably the cause for his being so lax with the men. I think I put it over all right.
Are they going to return any indictments?

Mayor:

Oh yeah - they said they would indict the principles for manslaughter, and the others as accessories. They even got Red Terry and Joe Scott mixed in it.

Ledgerwood: That's a shame.

Mayor: Well, it can't be helped. Of course, if they recommend anything, I will have to follow it out.

Ledgerwood: Oh sure - you've got to go all the way with them now.

Mayor: Well, that's what I aim to do, regardless of who it hurts.

Immediately after the indictments were returned against the seven officers named, a rumor which probably had its origin in the State Capitol in Little Rock, Arkansas, sprang up to the effect that a bill would be introduced in the House within the next few days, giving the Governor of the State power and authority to transfer Circuit Court judges to districts other than those to which they were elected. It was indicated that this bill was aimed at the 18th Judicial Circuit, of which Earl Witt is Judge, as it was said that Witt probably would not be an impartial jurist in the trial of these officers.

In answer to this charge, Judge Witt directed a letter to Scott Wood, attorney for John Dickson's parents, on January 18, 1937 offering to disqualify himself in the trial of the seven officers, and also suggesting certain activities to make the same a partial trial. The telephone taps revealed that Mayor McLaughlin and Lt. T. "Sunny" Davies assisted Judge Witt in the preparation of this letter.

In reply to Judge Witt's letter of January 18, 1937, Scott Wood wrote him a letter, dated January 20, 1937, which also was publicized in which he stated that a mere change of judges would not help the situation in this case. He stated that the difficulty was to remove the fear from the hearts of the witnesses, and in this connection made several suggestions as to what he thought could be done in this case that would be satisfactory to everyone concerned. Mr. Wood pointed out at this time that the action taken by the Sheriff's office in this case had not been much to inspire confidence; that a bench warrant for John Dickson had been issued by Judge Witt on December 4, 1936, commanding the Sheriff to arrest him and place him in the County Jail. Notwithstanding this fact, upon his arrest on December 14, 1936, Dickson was placed in the City Jail where he had no right to be; that he was kept there until December 18, 1936 when he was removed to the New Park Hospital; that thereafter on December 29, 1936, the Sheriff made the return on the

bench warrant issued.

"I have duly served this warrant by finding the said John Dickson deceased."

On February 8, 1937 Circuit Judge Karl Witt announced the trial date in this case for February 15, 1937, and stated that he would disqualify himself and invite Circuit Judge A. P. Steele of Ashdown, Arkansas, to preside in his place.

The taps revealed that around this time Arch Cooper, one of the indicted officers, through the financial assistance of W. S. Jacobs, his employer, was making arrangements for legal representation at the trial of his case. He was in frequent contact with W. S. Jacobs, and the nature of their efforts did not become known until the following conversation between the two was heard. It is noted that it suggests some irregularity and connivance on the part of Jacobs to get two persons on the jury who will be "all right".

8:20 P.M. (2/9/37) outgoing on #2115 J.M.J.

Jacobs: Called #3339 (Residence of Arch Cooper)
Jacobs: Hello Archie.
Cooper: Hello.
Jacobs: Do they have to have a poll tax to serve (jury)?
Cooper: I don't know.
Jacobs: Check on that and let me know. I have a couple
fellows who lived at Crigger Creek, and have
just moved across the line.
Cooper: I'll do that in the morning. I think we can
say this will be O.K. I'm going to have Sam
as one of them (attorney).
Jacobs: Did you talk to him?
Cooper: Yes.
Jacobs: O. K. Find out about that.

The trial of the seven officers was subsequently postponed indefinitely at the request of John Dickson's parents, and at this writing the date for the trial is scheduled for May 10, 1937.

It has been particularly observed that after the return of the seven indictments against the officers, not one conversation was overheard which tended to show that Mayor McLaughlin or the Prosecuting Attorney was in any way interested in obtaining a successful prosecution against these officers. On the contrary, telephone conversations

that were heard, definitely disclosed that some of these officers continued to make the Police Department the centre of their operations, and use its facilities to carry on their personal affairs. In some instances, conversations reflected that Herbert "Dutch" Akers and others, acting in their official capacity, assisted the indicted officers in securing evidence to bolster up their defense. Telephone calls also definitely revealed that Arch Cooper, Bob Moore, and Cecil Brock took an active part in the campaign of Leo P. McLaughlin for re-election as Mayor of Hot Springs in the recent election. The taps further showed that Arch Cooper and Bob Moore were employed as guards by the City Administration to guard the ballot boxes in one of the Wards. In the case of Cecil Brock, a call was received disclosing that he induced a non-eligible voter to vote, and later did, in fact, make it possible for that person to cast an illegal vote for Mayor McLaughlin.

Considering the above situations, it is fair and only logical to pre-suppose that the ultimate disposition of the cases against these seven officers will probably be akin to that which involved the brother of Mayor McLaughlin in 1933. In this case, George McLaughlin was indicted for second degree murder under very similar circumstances, and was thereafter acquitted of this charge by a friendly jury. The story goes that George McLaughlin beat up a taxi-cab driver, because he emptied one of his (McLaughlin) slot machines with a lead slug. The driver died a few days later as a result of this beating. Considerable heat was put on the town because of this killing, and Circuit Judge Earl Witt, as he did in the Dickson case, called a Special Grand Jury to investigate the death. This Grand Jury was headed by Cecil Ledgerwood, a brother of Municipal Judge Verne S. Ledgerwood, and an indictment charging second degree murder was returned. Thereafter when all the principle witnesses to the beating were carried out of town, the case was called for trial before Circuit Judge Earl Witt. The jury that heard the evidence in the case, was headed by the Alderman of the Second Ward, Carl Wilson, who also sometime acted as Mayor of Hot Springs. George McLaughlin pleaded self-defence at the trial, and his testimony was supported by the two men who stood by and watched him beat the driver to death. These two men were Richard T. Galatas and Frank Clark, who reportedly were in the slot machine racket with George McLaughlin at that time. As previously stated, George McLaughlin was acquitted at this trial.

From the above it can readily be seen what to expect in the trial of those seven police officers who are to go on trial on May 10, 1937.

JIM

THE GAMBLING RAIDS OF JANUARY 15, 1937

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This matter refers particularly to the following persons at Hot Springs, Arkansas:

Mayor Leo P. McLaughlin
Chief of Detectives Herbert "Dutch" Akers
Former Chief of Police Joseph Wakelin
Circuit Judge Earl Witt
Sheriff Marion Anderson
Former Captain of Police Robert L. "Bob" Moore
Chief of Police Weldon Basberry
Municipal Judge Verne S. Ledgerwood
George McLaughlin (brother of Mayor McLaughlin)
Walter Ebel
William S. Jacobs

The legislative committee went into immediate action, and on their authority officers of the State Department of Revenue and State Rangers descended upon various gambling places at Hot Springs on the evening of January 15, 1937, and served subpoenas on various gambling house operators and also on city and county officials; these subpoenas ordering their appearance before the legislative committee with all of their books and records.

The conversations overheard over the telephone taps present a vivid picture of the manner in which each cog of the machinery of corruption goes into action. It can be seen how these cogs composed of the Judiciary, the Executive, the Law Enforcement Agencies, and the Press, blend with the operations of the gambling interests to the common end of stultifying the just enforcement of law and order.

The story begins with a telephone call made from the Police Department at 6:52 P.M., by Walter Ebel, newspaper reporter for the local Hot Springs newspapers, to one Blansford, of the Arkansas Gazette newspaper, Little Rock. During this conversation Blansford apparently inadvertently "spilled the beans".

Ebel: ".....Is Bill coming over?"
Blansford: "He's going to cover the raid over there."
Ebel: "What raid?"
Blansford: "Now, maybe I've spoken out of turn."
Ebel: "Say, give me the lowdown on that."
Blansford: "Well, they're going to clean up over there tonight."
Ebel: "Who's going to do it?"
Blansford: "The Rangers."
Ebel: "Who ordered it? Did Bailay (Governor) order it?"
Blansford: "I don't know. Keep that to yourself because I don't know whether it's supposed to be given out."
Ebel: "All right, thanks."

The effect of the information contained in the above call was almost instantaneous, for within three minutes Chief of Detectives Herbert "Dutch" Akers, attempted to reach Mayor McLaughlin at his home. A minute later Akers called the residence of W. S. Jacobs, the gambling czar, but received no answer.

Failing in his efforts to communicate by telephone, Akers left the Police Department, and was out apparently until about 8:00 P.M., at which time he put in a call for A. G. Albright, Superintendent of the Arkansas State Rangers at Little Rock. Akers received a report that Albright could not be reached.

At 8:02 P.M., Akers called the local Western Union office and spoke to a man called "Skeeter". Pertinent portions of this call are quoted -

Akers: ".....Have you had any unusual requests?"

Skeeter: "Did you see Walter Ebel?"

Akers: "Yes, what's the story?"

Skeeter: "Well, this fellow Wilson (Gazette reporter) wired and his wire indicated that they would be over late because they wanted me to remain open to take care of the story. Looks like they may snoop around."

Akers: "Yeah."

Skeeter: "Keep this under your hat, Dutch."

Akers: "All right, if you get anything, let me know."

Successful in obtaining confidential information in his capacity as a law enforcement officer, Akers made good use of it, for he called the residence of W. S. Jacobs at 8:05 P.M. -

Akers: ".....I just verified that with Western Union, so it's authentic. Does he want me to contact him? (McLaughlin)"

Man (Jacobs): "Yes. He's gone home. I'm leaving now and I'll be at the Southern." (Southern Club).

Akers: "All right."

Akers then called his wife and advised her that they (State Rangers) were going to "raids everything tonight" and probably feeling that he had already done sufficient to warn gambling interests, warned his wife as follows:

Akers: ".....No, don't call anybody - they all know it."

Mrs. Akers: "I won't....."

At 8:25 P.M., Akers spoke with Former Chief of Police
Joe Wakelin:

Akers:

".....Been talking to him (Jacobs) - he's going
to stay open. He doesn't know what to do - he's
running around like his head's cut off."

Wakelin:

Akers:

"Yeah."
They'll (State Rangers) be here late tonight. I'm
going to stay here and if anything happens, I'll
call you....."

On this occasion the State Rangers and Revenue Officers took
no action to either close the gambling places in Hot Springs or to dis-
turb gambling equipment in such places. Newspapers reported that
subpoenas were served on the following gambling operators, city and
county officials, who later testified before the legislative committee:

Houston Emory, former Prosecuting Attorney
Karl Witt, Circuit Judge
Marion Anderson, Sheriff of Garland County
Herbert Akers, Chief of Detectives
Matt Picchi, of the White Front Cigar Store
W. S. Jacobs, of the Club Belvedere and Southern Grill
Jimmy Phillips of the Southern Grill
Roscoe Johnson, of the Southern Grill
Norwood Phillips, of the Chicago Cigar Store
Ben Harrison, of the Citizens Cigar Store
Gordon Henderson, of the Blue Ribbon Cigar Store
Lewis Larson, of the Blue Ribbon Cigar Store
Bill Miller, of Miller's Cigar Store
Otis McGraw, of the Club Belvedere
Ed Spear, of the Tango Club
Tink Young, of the Chic Cigar Store
Leo P. McLaughlin, Mayor
R. L. Millsaps, of Millsaps Cigar Store
Ed Chase, Manager, Millsaps Cigar Store

Akers spoke with some unknown man at 11:25 P.M. It may be
mentioned that on several other occasions Mayor McLaughlin has been
referred to as the "Kingfish".

Man calling: ".....Where is the "Kingfish"?"

Akers: "He's gone home a few minutes ago. They served
(subpoena) him at the confectionery."

Man: "Looks like you ducked everything."

Akers: "Oh, I got one too. They served me, just like you did."

Man: "I tried to get in touch with Jimmie Phillips while
ago and couldn't." (Jimmie Phillips is manager of
the Southern Grill.)

Akers:

"Well, I talked to Earl (Witt - Circuit Judge) and Marion (Anderson - Sheriff). The "boss" (McLaughlin?) wants all the boys down here at seven in the morning. Wants to talk to them before we go over there (Little Rock). You tell the boys at your place and tell the boys out at the Belvedere. (Belvedere Club).

With this call the circle is well nigh complete, gathering within it the Mayor, the Press, the State Judiciary, the gamblers, and the Sheriff's office, with Akers as their representative of local law enforcement, playing the part of a "go-between". The proposed meeting apparently took place on the following morning, for at 8:50 A.M., January 16, 1937, Bob Moore, former Captain of Police, then under indictment for murder of John Dickson, and an employee of the Southern Club, called Mayor McLaughlin at his home:

Bob Moore: "....., Mayor, this is Bob Moore. There's a bunch of the boys down at your office now waiting for you." McLaughlin: "Well, I'll be down there after a bit."

At 8:01 A.M., W. S. Jacobs called attorney Louis Tarlowski at Little Rock, Arkansas, from the Mayor's office and retained him to represent "us" with a Mr. Ryan, a local Hot Springs attorney who is closely associated with McLaughlin, and who apparently was previously retained.

Calls overheard over the Mayor's telephone prior to 9:00 A.M. indicated that the following persons were present at his office and apparently attended the meeting composed of the city and county officials and the gambling operators:

Chief of Police Weldon Raspberry
Chief of Detectives Herbert Akers
Former Night Captain Robert L. Moore
George McLaughlin (brother of Mayor and a city employee)
Mayor Leo P. McLaughlin
Richard M. Ryan, attorney
W. S. Jacobs
Municipal Judge Verne Ledgerwood

In view of the information contained in the calls that have been previously referred to, it is probable that other gambling operators from the Belvedere Club and other gambling places were present at this meeting in the Mayor's office, but their identities were not disclosed in conversations overheard over the telephone taps.

DPS:cpw

There was a lull in the activities of the legislative committee in their investigation, from January 18, 1937 to January 29, 1937, when agents of the State Revenue Department again descended on Hot Springs and raided several gambling places. It was observed that during this lull Carroll Hollingsworth, Parliamentarian of the House of Representatives, and James R. Campbell, Representative of Garland County, remained in touch with Mayor McLaughlin almost daily, advising him of the past and proposed activities of the committee. The conversations which were overheard in this connection indicated that Hollingsworth was receiving his information confidentially from Fred Jones, the Vice-Chairman of the committee.

JLM:cpw

THE GAMBLING RAIDS OF JANUARY 29, 1937

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The following incident relates to the following persons:

Mayor Leo P. McLaughlin
Captain Ben Rogers
Chief of Detectives Herbert Akers
Sheriff Marion Anderson
Deputy Sheriff Sol Godwin
William S. Jacobs

As a part of the legislative investigation of Hot Springs, and probably with the approval of Governor Carl E. Bailey, agents of the State Revenue Department raided the following gambling places at Hot Springs, Arkansas, early in the evening of January 29, 1937:

Club Belvedere
Southern Club
Ohio Club
Kentucky Club
Millsaps Cigar Store
Miller's Cigar Store

The local police department apparently did not receive any advance notice of the intended raids, and the gambling places also appeared to have been taken by surprise.

Chief of Detectives Herbert Akers received the first information of the presence of the State Revenue Agents in Hot Springs at 6:37 P.M., when a woman, probably his wife, called and told him to go over to Bill Miller's (Miller's Cigar Store), as "they're raiding it and going to burn everything." Akers immediately rushed to Miller's Cigar Store, learned of what was going on, and within a quarter of an hour, called his wife back and told her of the activities of the raiders at Miller's place. Then within three minutes Akers put to use the information he had obtained to "tip off" the other gambling places, when one Roscoe or Robert, who is probably identical with Roscoe Johnson, Manager of the Southern Club, called Akers, the conversation being:

Akers: Hello.
Man: Dutch, this is Roscoe (or Robert). I just heard that they are tearing up things down the street.

Akers: Yes they are. You'd better close up your place.
Go down the Avenue (Central) right away and
tell all the boys.

Man: OK. Thanks, Dutch.

Akers then attempted to get in touch with Walter Ebel, a newspaper reporter for the local papers, who is reported to be on the pay roll of the gambling interests. Akers spoke with Mrs. Ebel, who remarked of the raids then being conducted, and said,

".... That's mighty bad. Don't let them do it.
Can't you square things up somehow?"

To which Akers replied, and probably truthfully:

"I'm trying."

The reaction of the other local officers is reflected in calls at 7:25 and 7:41 P.M., where these statements are found:

".... Well it looks like the 'blow-off'. They're closing them all up.

"That's what I heard. I guess we'll have a Baptist convention here next month."

An officer, probably being Captain of Police Jerry "Swede" Watkins, called on the telephone to the residence of Mr. Watkins, and remarked:

".... Clara, you might as well pack my other shirt and we'll start out for California. They're closing up the town down here."

Akers, having already performed his duty to the gambling interests, then reports to the Mayor, who immediately perceives that the most important objective is to regain possession of the seized gambling equipment.

8:11 P.M., January 29, 1937 Outgoing on No. 448

H.A.S.

Akers: Called 600 (McLaughlin's residence)

McLaughlin: Hello.

Akers: You still want me?

McLaughlin: Did they take all the stuff?

Akers: Yes - everything. Loaded it all in trucks. It's Ford's men who did it. They had an order from Chief Justice Griffin Smith - dug up some old law about it. Ford was here with the whole committee, I judge, because I know Nichols and saw him with three men that I didn't know.

McLaughlin: Yeah. I found out from a newspaper man that the order was issued by Chief Justice Griffin Smith. We'll have to start proceedings tomorrow before they burn it. Let Louie Petroccio (phonetic) claim it all and bring it back.

Akers: Yes. I talked to "Jake" (Jacobs). He's out in the country, but he's coming in after a bit. I'll see him.

McLaughlin: All right.

(Louie Petroccio apparently refers to Louis Tarlowaki, attorney of Little Rock, who represents W. S. Jacobs.)

At 9:31 P.M., Dave Johnson, who probably is a gambling operator, asked Captain of Police Ben Rogers whether ".....Those suckers had gone back to Little Rock." When Rogers replied that he did not know Johnson stated:

"Well, I wish I knew, as I am supposed to open up again."

Rogers: "Didn't they get you?"

Dave: "No, I heard about it in time."

The seized gambling equipment which the newspapers estimated to be valued at about \$10,000.00, was taken by the State Revenue Agents to Little Rock. McLaughlin's first concern appeared to be finding a way to regain possession of it. From conversations overheard it seems that the Revenue Agents did not confiscate the race horse slot machines in the various gambling places in Hot Springs. Probably on account of the general "heat" caused by the raids, McLaughlin counseled Ed Chase, co-owner of Millsaps Cigar Store, on the morning of January 30, 1937, as follows:

Chase:Those things I was talking about are out. You know those machines.

Mayor: Yes, I know. Now is a good time to keep them out.

Man: Yes, that's right.

The Mayor then spoke with W. S. Jacobs at 9:40 A.M., and told Jacobs that he doubts that they can do anything about getting the "stuff" (gambling equipment) back. In the face of the activities of State Revenue Agents on the previous evening, McLaughlin had the audacity to agree with Jacobs that it will be alright to continue with horse race betting:

Jacobs: -- "Well, do you think it is all right to go ahead with the horses? (Horse race betting) We haven't anything else to go ahead with."

Mayor: Yes, that's alright.

At 10:03 A.M., Roscoe Johnson, Manager of the Southern Club, called Mayor McLaughlin, who was absent. Johnson spoke with Hazel Marsh, secretary to the Mayor, and told her that he got orders to close from Sol Godwin, a Deputy Sheriff. This situation apparently was quickly ironed out by McLaughlin, as he called Jacobs at 11:27 A.M., and asked whether Marion Anderson (Sheriff of Garland County) had called.

Jacobs: -- "I asked him if we ought to slip around."

Mayor: "Oh, I think it's alright to go ahead."

Jacobs: "Well, we won't put anything up and we have a cut off on our phones, so I think it will be OK."

Mayor: "That's alright."

Akers called W. S. Jacobs at 6:33 P.M. on the evening of January 30, 1937, and reported that the man who led the raids on the previous evening returned to Hot Springs on the morning of January 30, 1937 and got drunk, "celebrating over it, I guess." Akers terminated the conversation with the following remarks, which show the close association with Jacobs:

Akers: ".... Well, there's nothing important to see you about tonight. See you in the morning. I suppose you saw in the paper that the fire will be at seven tonight."

Jacobs: "Yes - thanks for calling."

"The fire" in the above call refers to the disposition that was to be made of the seized gambling equipment. With the exception of some equipment which could not be definitely determined upon as coming under the class of gambling equipment, all the rest was actually burned on the night of January 30, 1937, in a public park at Little Rock, Arkansas.

The Mayor continued his activities in attempting to recover this property which was not burned. At 2:00 P.M., on February 1, 1937 McLaughlin talked with Grady Manning, owner of the Southwest Hotels, and they mutually agreed that they should make efforts to determine whether Chief Justice Griffin Smith of the Supreme Court, who issued the seizure warrants, had a right to issue these warrants. Later during the day W. G. Bouie, former County Prosecutor, suggested to the Mayor that some action be brought in the Appellate Court to prevent the State Revenue Agents from again raiding the Belvedere Club.

DPS:cpw

-o- \$10,500.00 MAX -o-

-9-8-

The following calls are self-explanatory, and pertinent portions will be quoted. It is probable that the receipt mentioned in the calls was obtained either in Little Rock when the various gamblers of Hot Springs brought their books and records before the legislative committee, or more probably in one of the gambling places at Hot Springs on the night of January 29, 1937, on the occasion that the State Revenue Agents conducted raids on gambling houses.

The Thompson mentioned in the calls is Representative W. M. Thompson, Chairman of the legislative committee which investigated Hot Springs. Nichols undoubtedly is Representative Lee Nichols, a member of the same committee. Both of these men were known from the very outset of the investigation to have been opposed to both the corrupt conditions in Hot Springs, and also to the City Administration there.

The following is a portion of a conversation between the Mayor and W. S. Jacobs, which took place at 7:10 P.M., February 19, 1937, over telephone number 2115:

Jacobs: --- Listen, we've got a receipt from Thompson for \$7,000. in currency and \$3,500. in checks for checking the Ohio's stuff. Johnny was checking up with the Revenue Department today and when he went over to get the stuff they could not produce the \$7,000. in currency or the \$3,500. in checks.
Leo: Have you got the receipt?
Jacobs: Sure. Thompson gave a receipt to Johnny.
Leo: We ought to bring that to light.
Jacobs: Do you want the receipt?
Leo: Yes.
Jacobs: OK, I'll send it over in the morning.
Leo: What's been done about it?
Jacobs: Johnny taken it up with the Revenue Department.
Leo: Why did Thompson give him a receipt for \$7,000?
Jacobs: I dunno, but I was sitting by him and seen him write out the receipt.
Leo: Do you mean "Tink" actually gave Thompson \$7000 in currency?
Jacobs: Well, Thompson gave him a receipt for it anyhow. You know there wasn't that much around.
Leo: Oh! I see. Well?
Jacobs: You know Tink, he had a box.
Leo: Well, how'dit happen.

Jacobs: Well, Johnny handed him the box and told him there was \$7000. in it in cash and he give him a receipt for it.
Loo: Well, keep that receipt, we gonna make the son-uv-nh-bitches pay that money back.
Jacobs: OK, I'll see you.

7:28 P.M., Feb. 19, 1937 Incoming on No. 2115 B.M.S.

Jacobs: Hello.
Young: Mr. Jacobs - think, you call me?
Jacobs: Yeah, you got that receipt from Thompson for \$7000.00?
Young: No sir, Johnny's got it.
Jacobs: Would you like to collect on it?
Young: Yes, sir.
Jacobs: Well, Leo is going to collect it for us.
Young: Good, I'm going to get 5% interest on the money besides.
(Both laugh).
Young: Does Leo want to take it on a commission?
Jacobs: Yeah. He's probably made enough though to collect it without a commission.
Young: Well, I wish I could collect it. We've got the receipt all right. (Laughs)
Jacobs: Yeah, and I was right there when you give him the box, but I turned around so didn't see him count it. (Laughs)
Young: (Laughs) Pretty good --- (?) (Sounded like he said CYP or trick)
Jacob: Well, we'll worry them plenty.
Jacobs: I'll call Johnny about the receipt.
Young: All right.

6:45 P.M., Feb. 20, 1937 Outgoing on No. 2115 J.M.J.

Jacobs: Called 600 (Residence of Leo McLaughlin)
Jacobs: Where have you been all day?
Loo: Working.
Jacobs: Who ever heard of you working - I was talking to Ebal - he has a copy of the receipt and I told him to see you about whether it should be printed or not. I didn't want him to do anything without your OK. He's got a copy - you can break it or not.
Loo: Well, I've got several contacts tonight and want to talk it over first....

7:08 P.M., Feb. 20, 1937 Outgoing en f2115

J.H.J.

Jacobs called 210 (Ohio Cigar Store) and asked for
Mr. Young.
Jacobs: What kind of fellows hang around your place?
Young: All kinds, why?
Jacobs: Well one of them took me out and got me drunk - Do
you think you'll get your \$7000 back?
Ha Ha I should - what's doing about that?
Well, I'm waiting for some folks to decide,
I should get it.
Jacobs: Yes, I saw Nichols pick it up.
Young: And I got a receipt.
Jacobs: I told Ebel to wait on that - I told Rogers they took
7000 in cash and 3500 checks.
Young: That's correct. Ha! Ha!
Jacobs: It might be good publicity.
Young: Well, it won't look good if they have to make good
the \$7,000.
Jacobs: How's business?
Young: Plenty of people but very little money, we could
do better if we wanted to, but I wonder if it's
advisable.
Jacobs: Now I'll see what can be done, and will call you
if it's OK for Monday,

The above scheme was apparently dropped when the House of Representatives declined to impeach Circuit Judge Earl Mitt or to continue any further investigation of conditions at Hot Springs, Arkansas, the vote being taken by the State Legislature on February 22, 1937.

DPS:cw

TRAFFIC IN FIREARMS

-009-

During the time that the telephones of the Police Department were kept under observation, information was obtained indicating that the sale, purchase and exchange of firearms is one of the insidious practices of the members of the Hot Springs Police Department. This bartering is not restricted to officials, but it was learned that police officers trade in firearms indiscriminately with ordinary citizens, thus making it possible for the criminal element to obtain the necessary weapons to carry on their crimes. Apparently no record of any kind is kept of these weapons that are sold and traded. The Police Department does not even keep a record of those guns which are used for official police purposes.

The results from this unrestricted trade in firearms by local police officers is seen in the case involving John Dickson and his associates. On September 28, 1936 Chief of Police Joseph Wakelin and other officers conducted a raid near Perryville, Arkansas in an effort to apprehend John Dickson, Alfred (Pug) Dickson and Robert DeMarr. At that time Chief Wakelin was assaulted by three men, who took from him at this time two pistols and a .351 calibre rifle. Although all three of these men were badly wanted by the Hot Springs Police Department, the State of Arkansas, and by the Bureau, for violation of the National Motor Vehicle Theft Act, no productive effort could be made to locate the stolen guns for the reason that Chief Wakelin had no record of the serial numbers on the weapons.

The information concerning this matter is briefly summarized herein under the names of the various police officers who are definitely known from telephone calls overheard to trade in firearms.

Chief of Police Joseph Wakelin.

The following portions of a conversation between one Granville and Wakelin were overheard at 11:51 A.M., December 18, 1936:

Granville: "Chief this is Grenville, what will you take for that gun?"

Wakelin: "Not less than \$15."

Granville: "Can I see it?"

Wakelin: "Yes - I'll bring it down after supper tonight."

Granville: "O.K."

Chief of Detectives Herbert Akers.

Constable John Young.

Police Officer T. G. "Curley" Evans.

A call overheard at 12:06 P.M., January 6, 1937, indicated

that Constable Young is also interested in the sale of firearms to individuals who apparently have no official law enforcement position. In this call a man, probably a police officer, called John Young from the Police Department and informed him that there was a man then at the Police Department, paying from \$10.00 to \$20.00 for old guns; that Akers had sold two or three guns to him. Constable Young requested at this time that the man be sent to his office, apparently for the purpose of selling some guns to him.

Further information along this line was obtained at 12:05 P.M., on March 3, 1937, the conversation being between police officer T. G. "Curley" Evans and Chief of Detectives Akers. Evans asked Akers what he did with "that pistol". Akers replied that he had sold it.

Captain of Police Robert L. Moore.

Captain Moore likewise apparently was interested in the sale of firearms during the time he was connected with the Police Department, and prior to his dismissal from the force and his indictment for the killing of John Dickson, as he, on one occasion, called Ben Murray, a professional bondsman. Moore, at that time, asked Murray to bring a gun to the Police Department, stating that he believed he had a "sale" for it.

Captain of Police Archer L. Cooper.

The following call, overheard at 10:40 A.M., on December 9, 1936, strikingly illustrates the haphazard and completely irresponsible manner in which firearms are sold and traded by the members of the Police Department. It can be seen from the conversation that Captain of Police Cooper stated that he did not desire to even learn of the identity of the prospective purchaser of a .351 calibre rifle:

Arch Cooper: Hello.
Hendricks: Hello Arch - this is Hendricks, I think I can peddle that .351 of yours.
Arch Cooper: Who to?
Hendricks: Do you have to know?
Cooper: No - not necessarily.
Hendricks: Wait. (Turned and talked to someone) Arch, it is Jervell Hicks out on the lake.
Cooper: Why don't you have him come by to see me.
Hendricks: O.K. I'll send him to see you.

Captain of Police Jerry "Swede" Watkins.

Captain of Police Watkins also apparently deals in firearms. This fact is brought out by a call overheard at 10:12 A.M., March 3, 1937,

in which Watkins ordered a .38 calibre pistol on a .44 calibre frame from one Rex Broughton. Again at 10:10 A.M., on March 2, 1937 one Hall, who apparently was calling from a pawn shop, inquired of Watkins about a gun Watkins was supposed to sell to a Mr. Monroe.

On another occasion Watkins negotiated with a Mr. Belash for the trade of his pistol for a .45 calibre automatic, formerly the property of Chief of Detectives Akers.

Police Officer Monroe Young:

That this trade in firearms is not restricted to officers of the Hot Springs Police Department can be seen from a call overheard at 3:07 P.M., on January 7, 1937, the conversation being between some unknown man who called and spoke with officer Young:

Man calling: ".....Have you got that gun down there?"

Young: "Yeah."

Man calling: "I'll bring that fellow right over."

Police Officer Preston Griffin:

Conversations over the telephone did not expressly provide the information as to the source from which members of the Police Department obtained various weapons they were interested in selling. The following call overheard at 9:41 A.M., on January 4, 1937, suggests the manner in which guns and pistols are obtained by members of the Hot Springs Police Department. In this call Mayor McLaughlin spoke to Chief of Police Weldon Basberry:

Mayor: "Hello - This is Leo. I am sending down a colored woman. Tell "Press" Griffin to find her gun and give it back to her."

Basberry: "All right."

That this practice of buying and selling firearms and permitting such firearms to come into the hands of persons holding no official authority as law enforcement officers, is not a practice new to the Hot Springs Police Department, is borne out by a statement contained in the written statement of Richard Talman "Dick" Galatas, dated October 1, 1934, as contained in the report of Special Agent R. C. Suran, Chicago, Illinois, dated October 6, 1934, the following being noted from page 25 of the above report:

"I have never owned a machine gun. I did help to purchase a machine gun for the Hot Springs Police Department and had it in my home and have shown it to people who would come to my home."

The meaning contained in the above statement can be clearly
guaged when it is understood that "Dick" Galatas was an associate
of Frank Nash, Thomas Holden, Frank Keay and numerous other
notorious criminals then operating, and was considered by criminals
throughout the nation as the "contact man" at Hot Springs, Arkansas.
It is entirely possible that the machine gun mentioned by Galatas which
was the property of the Hot Springs Police Department, was used at
some time or other by some of his associates in the perpetration of
bank robberies or other crimes.

DPS:cps

UNETHICAL ASSOCIATION OF POLICE WITH ATTORNEYS

-----oooooo-----

Various calls overheard over the telephone taps show the existence of a petty "racket" whereby members of the Police Department notify certain attorneys when prisoners who have money are held in the city jail. No definite information was obtained in the calls indicating that this association between members of the Police Department and attorneys was based on a monetary consideration, but the inference remains that the police officers who communicate this information to attorneys probably receive some "cut" or portion of the fees which the attorneys obtain from being retained by such prisoners as who have money.

In one instance the then Captain of Police R. L. Moore called Attorney Shelton at 10:00 P.M. on December 1, 1936 and told him of a man at the city jail who needed an attorney, and suggested to Shelton that he come to the Police Department immediately. Shelton told Moore at that time that he would be down early the following morning.

At 6:32 A.M. the following morning Shelton spoke with Captain Moore. It can be seen that Shelton is somewhat reluctant to come to the Police Department to interview the prisoner until Moore has obtained a definite statement from the prisoner that he wants an attorney. Moore, from the conversation, apparently has no such qualms, probably because he is not an attorney himself and would lose nothing if his association with Shelton were disclosed:

Moore: "Hello - Say - this boy over here has about \$300.00. He thinks he's mixed up in this more than he really is."

Shelton: "Has he asked for a lawyer though?"

Moore: "Well, he talked about it last night. We could say some of his friends sent you."

Shelton: "Has anyone talked with him this morning to find out if he wants a lawyer?"

Moore: "Wait - I'll send some-one to find out. (pause) Yes - he says he wants one. Say, there are six boys - your fee should be \$50.00 or as much more as you can make it."

Shelton: "O.K. I'll see you in a few minutes."

The logs show that Chief of Detectives Herbert "Dutch" Akers is especially close to W. D. "Dick" Swaim and Houston Emory, who is the former County Prosecutor. Akers refers prisoners to these two attorneys when it is possible for them to get a substantial fee. On one occasion

on December 13, 1936, Tony (Carson) at the White Front, a gambling place, called Akers and told him that he would like to do something for a former employee. Akers replied, "I'm sending Dick Swain, an attorney, over to see you. Talk to him....."

Later, at 7:39 P.M., the same date, Tony again called Akers and complained that Swain wanted \$50.00 for his fees. Akers did not show any sympathy, and when asked by Tony whether the boy could be released, Akers replied that the boy would have to sit in jail all night.

The arrest and incarceration of a woman named Mary Helen Sasse brings out in a forceful fashion the unethical association of members of the Police Department with practicing attorneys at Hot Springs. In this case the Sasse woman, who apparently came from the State of Iowa was living with a man in Hot Springs. She was arrested on January 9, 1937 on a charge of immorality. Sheriff Roy E. Wilson of Clarion, Wright County, Iowa, arrived in Hot Springs on January 11, 1937 with fugitive warrants for the woman, based on an adultery charge.

At 6:37 P.M., January 9, 1937 Akers called former Prosecutor Houston Emory and stated that he, Akers, had a client for Emory. It is probable that the Sasse woman had money, for the reason that thereafter Emory stated that she intended to obtain a divorce at Hot Springs, also by reason of a call at 10:15 P.M. on January 9, 1937, Akers ordered Captain Rogers to release the "man" but to hold the "woman", apparently referring to Mrs. Sasse and her male companion. Akers then stated, "Give him his money - he's got a good bit."

After the arrival of Sheriff Wilson, at 9:50 P.M. on January 11, 1937, Emory spoke with Sheriff Wilson. His conversation at that time indicated that he was representing Mrs. Sasse on the criminal charge that had been placed against her and also in aiding her to obtain a divorce, the latter probably being an "alibi" devised by Emory as the reason for her trip to Hot Springs, Arkansas. Emory at that time stated, "I'll represent her at the hearing (extradition hearing) before the Governor..... What's she charged with?", to which Sheriff Wilson replied, "Adultery." Emory then told Sheriff Wilson that he would see him the following day.

A call at 10:06 A.M. on January 30, 1937, reflects the interest of Akers in a prisoner who apparently had no money himself. Akers suggested, however, that the employer of the prisoner be contacted, probably feeling that the employer would be willing to take steps to effect the release of the man in question, the prisoner being Bennie Hargo, from Oklahoma. In this call the following is quoted:

Akers: ".....Why don't you come down and see about it. You might contact the firm he drives for." Swain: "Yes, I'll be right over."

It may be mentioned that Hargo was arrested by former Captain of Police Robert L. "Bob" Moore after he collided with the automobile belonging to Moore. Moore, at that time had been dismissed from the Police Department for almost a month, and had no police power of arrest.

-00- BONDSEN -00-

-00-

Similar to the "racket" whereby the police officers notify certain lawyers when persons having money are arrested, is the improper relationship existing between the police and professional bondsmen or sureties. It was observed that Akers appears to be closely associated with Dan Be Murry, a local professional bondsman. That fact that Murry is reported to have been once involved in a killing apparently does not affect Akers' close association with Murry, and it is reported that this man is very close to the city administration and was quite active in the recent campaign of Mayor McLaughlin for re-election.

The case of Mary Helen Sasse, previously mentioned, illustrates the apparent improper relationship of members of the Police Department with bondsmen. In this case Akers called Murry at 1:41 P.M., on January 12, and informed him that he, Akers, had a girl under arrest who needed a \$1000 bond. Akers suggested that Murry get in touch with Houston Emory. Murry apparently did so, as the Sasse woman was released from jail shortly afterward. A later conversation between Houston Emory and Akers disclosed that Mrs. Sasse had paid \$50.00 fee for her bond.

The following instance reveals that this association of the police with professional bondsmen also applies in the case of Government prisoners. On March 29, 1937 at least two men (one being LeRoy Hamilton) were arrested for violation of the counterfeiting laws. It appears that Akers arrested these men and notified agents of the United States Secret Service of the fact. Akers then called Ben Murry at 9:35 P.M. the same date, and instructed him to be at the office of United States Commissioner C. Floyd Huff the following morning, stating that he thought he would have a bond for Murry to sign.

In a call overheard at 2:14 P.M., January 26, 1937, Akers suggested the formation of a fraudulent conspiracy involving the giving of a bond and release of a prisoner. This is between Akers and one Billie, who apparently is a prostitute. Akers suggested that if she desired it the police department would become party to a conspiracy to help her collect a premium on a bond for the release of a prisoner, the idea being that after the prisoner was released, the Police Department would re-arrest him. This, of course, would leave the prisoner in the same status he had prior to the giving of the bond, the only difference being that "Billie" would have collected her premium for the giving of the fictitious bond. The conversation begins with Billie telling Akers that one Walter wanted her to go his bond. Akers told her that he would not do such a thing. The conversation continues -

Akers: ".....How much do they offer you?"
Billie: "They didn't say anything about that."
Akers: "I thought that if you were going to get anything out of it, you could sign and when we turned him out we could pick him up again. You could collect."
Billie: "Oh, I wouldn't do that."
Akers: "I know you wouldn't. I wouldn't do it."
Billie: "OK - Thanks."

It will be noted that after Billie stated that she would not carry out the idea outlined by Akers, he immediately stated that he would not do it either.

DPS:cgs

* FIXES *

Fixes - Traffic:

As a part of the general disregard of the enforcement of law in Hot Springs, Arkansas, the "fixing" of tickets for traffic violations by city officials, particularly members of the police department, is a general practice. Instances of this nature were observed almost daily. From various calls overheard it would seem that any officer feels free to "fix" tickets for traffic violations, even when the ticket has been given to the person by some other police officer. It was noted that even Hazel Marsh, Secretary to the Mayor, promised on several occasions to "take care" of traffic tickets for various persons who called the Mayor's office. These "fixes" apparently were carried out through Municipal Judge Verne S. Ledgerwood.

The general method is disclosed in the following conversation between Mayor McLaughlin and "Judge" Fuller of Waldron, Arkansas:

JudgeFuller: ".....Hello Leo - This is Judge Fuller from Waldron. I've got a ticket for parking and I can't get down this A.M., and wonder if I can fix it up later."

Mayor: "That's all right, Judge. Just tear it up and forget it. I'll take care of that,....."

It was interesting to note that one Claude A. Fuller is a United States Representative from the State of Arkansas.

Indicative of the fact that the Police Department also has this power of "fixing" tickets for traffic violations, apparently without referring the matter to the local municipal judge or anyone else, is the following call, which took place at 8:25 P.M., on December 23, 1936, the conversation being between a Mr. Dodge and police officer Joe Scott. Dodge called concerning a ticket that Scott had issued to his "lady friend":

Scott: "Have you got the ticket?"
Dodge: "Yes. She gave it to me."
Scott: "Bring it over here and I'll fix it for you...."

This general use of the power of quashing violations of the traffic laws probably is another means whereby the present city administration remains in office, this being done through the granting of special favors to those persons who are sympathetic to Mayor Leo P. McLaughlin and others now in office. It was noted that Louis Dodge

is the only person of that name listed in the current telephone directory, and is the Manager of the Knickerbocker Hotel, and is probably the Dodge mentioned in the above call. He apparently is close to the city administration, as he accompanied a group of local citizens to Little Rock on February 28, 1937, for the purpose of defending Hot Springs and Circuit Judge Earl Witt before the legislative committee then investigating vice and corruption in that city.

Even after a fine has been levied for a traffic violation it appears from a call at 10:20 A.M., on January 20, 1937, that Mayor McLaughlin "fixes" it so that the violator will not have to pay the fine. In the above call, John Clemonts, who operates the Packard-Cadillac Taxi Company, and who is very close to the city administration, called Mayor McLaughlin and told him that Verne (Ledgerwood) had fined one of his boys \$5.00 for a traffic violation. Mayor McLaughlin agreed to do this, and at 11:58 A.M., he called the City Jail and ordered the release of the cab driver employed by Clemonts.

Fixes - Other than traffic:

The use of "fixes" at Hot Springs, Arkansas is not restricted to mere violations of traffic laws, but is generally practiced in more serious violations of law and other matters.

A conversation overheard at 10:35 A.M., on March 2, 1937, between Martha Brown and Mayor McLaughlin refers to the failure of the Brown woman to obtain some sort of license. The statutes in this matter apparently provide for a penalty for failure to obtain such a license by March 1, 1937. A portion of the conversation is hereunder quoted:

Mrs. Brown: ".....I forgot to get my license yesterday and it looks like I'm going to have to pay a penalty. Can you get it for me without that penalty?"

Mayor: "Yes, if you will come down this morning..... I can save you the penalty on a city tax."

This practice of "fixing" apparently applies in cases coming up before Municipal Judge Verne S. Ledgerwood, and involves the exerting of political or other pressure on Judge Ledgerwood to prevent the conviction of an offender. In a particular case involving a negro named Clyde Holland, Mrs. G. L. Merritt, a close friend to the city administration, called Judge Ledgerwood at 8:56 A.M. on February 8, 1937 and advised Judge Ledgerwood of the incarceration of Holland as a result of a fight in which he was engaged. Mrs. Merritt provided as an explanation for the actions of the boy named Holland, the reason

that Holland had been chased with a person who had a stick. Judge Ledgerwood, apparently without hearing any of the facts of the case in open court, indicated that from this explanation by Mrs. Merritt, that he had made up his mind as to what action he would take, stating, "All right, I'll take care of it when the case comes up."

Under this general heading can be placed the grossly unethical methods used by Mayor McLaughlin and his associates to obtain legal business.

In this connection a large bus overturned on the road near Hot Springs on the afternoon of November 29, 1936. A number of persons were hurt as a result of this accident. Thereafter it appears that McLaughlin and Chief of Detectives Herbert Akers concluded that this would be a fertile ground for obtaining possible clients by inducing the passengers who had been injured to sue the bus company, for at 6:40 P.M., on the same day, Akers called Attorney Richard Ryan, and during the conversation, stated:

"..... The Mayor said to call you - that maybe you could get to them and help them."

Ryan advised that he was busy and was unable to do as Akers and McLaughlin suggested, and thereafter, at 6:45 P.M., Akers called James Campbell State Representative from Garland County, and a close friend of the Mayor, and told him of the accident, stating in reference to McLaughlin:

Akers: "..... and he said get you to go up there and see if a few cases can't be fixed against the bus company."

Campbell: "Well, I don't know whether I can do that. I have represented the company. We might get juicy fees working both sides. I'll see what I can do."

Fixes - "Springing" of Prisoners:

The "Springing" of prisoners is another method used by Mayor McLaughlin and his associates to retain the good will of those who support the practices of the present administration. From the surveillance that was maintained on the telephones of the Police Department and Mayor's office, it appears that this is a rather general practice, and that Mayor McLaughlin appears to have a blanket power to release any prisoner after he has been duly convicted, merely upon his own "say so".

Telephone conversations at 1:16 P.M. and 1:34 P.M. on December 18, 1936 reflect that Mayor Leo P. McLaughlin will release a prisoner when a release is requested by a person friendly to the present city administration. In the first above mentioned call Miss Sims tells Mayor McLaughlin the police had arrested her brother the previous evening on a charge of drunkenness.

McLaughlin: "..... What's his name?"
Miss Sims: "Willie Graham - this is Miss Sims - you know I worked for you last election."
McLaughlin: "Yes, I remember you."
Miss Sims: "I wonder if I can get him out, if I get him out - I'll take him to his aunt's in Little Rock"
McLaughlin: "...If you come over here right away, I'll get him out for you...."

At 1:34 P.M. McLaughlin called the Police Department and spoke with Jailer Tucker, and in referring to Willie Graham, said:

".....His sister is coming down there - turn him over to her, and I'll sign a ticket for him."

In the case of Matt Brown, a prisoner who had been sentenced to serve 30 days for disorderly conduct, McLaughlin called the Police Department at 11:14 A.M. on December 9, 1936 at the instance of Charlie Connor, an acquaintance of the Mayor. The Mayor spoke with Captain of Police Archer L. Cooper, as follows:

Mayor: "...Let him out and have him come to my office in the morning. I'll take it up with the Judge."

Other instances of similar nature to those particularly mentioned above reflect that Mayor Leo P. McLaughlin ordered the release of prisoners serving time in the City Jail. This practice however, does not apply alone to McLaughlin. Instances were found where Municipal Judge Verne S. Ledgerwood ordered the release of prisoners because they were either friendly to the city administration or related to persons holding office. It was noted on one occasion at 10:53 A.M. on March 9, 1937 that Judge Ledgerwood talked with someone at the Police Department and told him to release Mrs. Jones, whom Ledgerwood stated he believed to be a sister-in-law of Johnny Jones. John Jones was noted to be the Clerk of the Circuit Court of the 18th Judicial District, presided over by Judge Earl Witt, and is a close friend of the city administration. This general philosophy of "taking care of" persons friendly to the administration apparently is also held by the Police Department members. On one occasion Chief

of Detectives Herbert Akers called former Chief of Police Joseph Wakelin. Wakelin mentioned to Akers that Jim Hall, who was in jail on charges of drunkenness and disorderly conduct, was a friend of the administration, and requested that Akers do what he could for him.

The case of the arrest and subsequent release of Earl King and his criminal associates through the payment of "bribe" money is merely an extension of the general idea that persons can be released from custody when there is sufficient motive for so doing. This case will be treated in limited detail immediately hereafter.

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THE CASE OF EARL KING, ET AL.

This matter refers particularly to the activities of the following persons:

Chief of Detectives Herbert "Dutch" Akers
Captain of Police Jerry "Swede" Watkins
Jailer Frank Tuckay
Officer Dave Fowler
Municipal Judge Verne Ledgerwood
Roscoe Johnson (Mgr. of Southern Club)

This matter could probably be termed the Modus Operandi of the Shakedown by a Police Department. It involves the arrest of Earl King, Andrew "Tex" Anderson, and a third man whose identity is unknown, and the subsequent quick release of King after receiving \$500.00 by wire. It also illustrates that at times Chief of Detectives Herbert "Dutch" Akers cooperates with other police officers and in this case with Captain of Police Jerry "Swede" Watkins, in "shaking down" prisoners who can afford to pay for their release.

The logs reflect that at about 11:00 A.M., March 5, 1937, Akers and other local police officers arrested King, Anderson and their companion at 211 Woodbine Street, where they were operating a race horse wire service. This service apparently was operated by "fixing" races that were run at the Oaklawn Park Race Track near Hot Springs, and conveying the information to California.

The logs do not definitely reflect the source of Akers' information, but it is noted that at 9:32 A.M. on February 8, 1937 a man called "Nick" who may be Fred Nickels, operator of the Chicago Club (bookie), advised W. S. Jacobs that he had been approached by one or two or three strangers who were trying to sell a wire service. Jacobs was concerned about it, and made the suggestion that Nick try to find out where these strangers "hung out".

On March 5, 1937, at 12:15 P.M., shortly after his arrest, Earl King called Dave Schmidman at Los Angeles, California. King told that he had been "pinched", and continued -

King: "...and it's gonna take \$500.00 to get me out and square it with them. If I don't get it, I'm going to get those other boys in plenty of trouble."

Schmidman: "How much you need?"

King: "\$500.00 by Western Union, care of City Jail."

Schmidman: "I'll see Dave and he'll call you or send the money."

The effect of this call on King's status as a prisoner can be noted from the fact that the long distance operator was unable to reach King at the city jail at 2:15 P.M. and 3:19 P.M. on the same day. Finally, at 4:02 P.M., Jailor Frank Tucker advised the long distance operator that King (the prisoner) was out at the races.

Akers' interest in the \$500.00 is exhibited in a call at 5:57 P.M., made to the Western Union Telegraph Company. Akers asked the manager what kind of identification King needed to receive the money order, and stated that he knew King was the right man, as he, Akers, was present and listened when King called long distance.

At 6:48 P.M., Fowler advised a party calling the Police Department from long distance that King was not held on any charge, but for "investigation". The conversation continued -

Party calling: "..... There was some money sent to him - did he get it OKP?"
Fowler: "Yes, it arrived."

Captain of Police Jerry "Swede" Watkins now enters the scene, the money apparently having been received prior to the following call:

5:25 P.M., March 3, 1937 Incoming on No. 446 J.M.J.
"Dutch" called - spoke to "Swede",
Swede: What do you want me to do, put that in an envelope?
Dutch: No, put it in your pocket and put him back in
jail. I'll talk to him when I get down there.
Swede: OK.

NOTE: It is a universal custom at jails to put the personal property of inmates in individual envelopes.

At 7:13 P.M. Akers informed a man named Joe to tell "her" (Mrs. Sims, Anderson's landlady) "to leave everything the way it is. everything will be straightened out and they will be back ok tonight."

At 9:30 P.M. Joe again called the Police Department and asked Captain Ben Rogers when King and Anderson would be released. Rogers replied, "Leaving now." Rogers apparently was mistaken in believing that Anderson was being released with Earl King, as subsequent calls showed that Anderson remained in jail.

The money apparently having "passed" Akers made good any agreement he may have entered into with King. On the other hand Anderson was in jail the following day at 4:15 P.M.

4:15 P.M., Mar. 4, 1937, incoming on No. 123 H.A.S.

Man: "Do you have a jockey in jail named "Tex" or A. Anderson?"

Tucker: "Yes, he's on 'holdover' - no charges."

Man: "When will he be charged?"

Tucker: "Not until Mr. Akers finishes investigation and decides."

Subsequent calls indicated that King had "run out" on Anderson and his companion.

Anderson's brother at Little Rock apparently learned of the arrest of "Tex." The following call at 10:15 A.M., on March 5, 1937, between Anderson's brother and "Dutch" Akers is interesting:

Auderson: "What did you do with those two b*gs?"

Akers: "30 days a piece."

Auderson: "Let's see - that will be \$1.00 a day?"

Akers: "Wait a day or so - before I can get them straightened out."

Auderson: "You mean you can't spring 'em now?"

Akers: "No, not until about Monday."

After his release King apparently left town, but made several telephone calls to the Police Department to learn the status of his friend Anderson and the third man. The indignation of "E" alias Farrell, who is probably identical with King, is expressed in a call at 7:05 P.M., March 5, 1937, when he learned that the "kids" had not yet been released. King probably felt that the \$500.00 payment he apparently made to Akers and Watkins, should also cover the release of Anderson and the third prisoner:

Ferrell: "I'm still over near Benton. Just came in town tonight to get something to eat. Did they turn the "kids" loose yet?"

Watkins: "No - not yet - they're still in here. Think you can get them out tomorrow, though."

Ferrell: "Well, by God, why the Hell haven't you done it before now. I'm afraid to come over there."

Watkins: "Well, they should be out tomorrow. Are you going to stay over there? I think it would be all right for you to come over here."

Ferrell: "I'm staying over here tonight. Say, a party told me that the "pinks" (or "punks") were in town looking for me over there - is that right?"

Watkins: "Not that I know of. If they are, they haven't been around here asking about you."
Farrell: "Well, I'll probably sleep late in the morning and call you up tomorrow afternoon - get those "kids" out of there."
Watkins: "All right - try my best - tomorrow....."
"....If you don't want to come by the station, call me, and I'll deliver them to you, wherever you say to."
Farrell: "All right. I'll call you. You tell Dutch (Akers) that I'm willing to "go along" with him - but what the Hell - I've got to get some results."
Watkins: "All right. They'll be out tomorrow."

On the following day, March 6, 1937, Anderson's brother again called Akers from Little Rock at 11:45 A.M.

Anderson: ".....think you will spring those boys today?"
Watkins said something about getting them out today.
Akers: "No, I can't spring them today. It won't be before Monday. Have you seen King?"
Anderson: "No."
Akers: "I got a message from him for these boys - it's for them....."

At 2:15 P.M., the same day, a man, probably Earl King, called Captain Watkins and agreed to meet him in a half an hour at Andrew's Garage, located at 1611 Park Avenue, on the edge of Hot Springs on the Little Rock highway. Special Agent H. L. Snow proceeded to Andrew's Garage, where he saw a police car parked in the vicinity of the garage and containing two men, apparently waiting for someone. This car was kept under surveillance for three quarters of an hour, but no contact was made up until the time Agent Snow was forced to leave the neighborhood to avoid disclosing his identity.

Mrs. Sims, Anderson's landlady, called the Police Department on several occasions and inquired about releasing Anderson. At 9:09 P.M. on March 6, 1937, the following was overheard:

Mrs. Sims: ".....I talked with Dutch about it, and he said he is going to turn them loose. He talked to Judge Ledgerwood about them. Do you think it is true? Do you think he will do it?"
Watkins: "Yeah. I'll see him again in the morning, and I'll stop by and see you....."

The following portions of a call overheard at 9:17 P.M., March 6, 1937, set out the reason for the arrest of King and his associates, and illustrate the apparent unlawful entry made by Akers and Watkins:

Mrs. Sims: "You know Dutch came right in and got that boy without a warrant, and walked right through a door, of course, you were with him, but with Dutch it's different. I don't know why they arrested him."

Watkins: "That big fellow, King, he was selling service into California. That was that machine they had in there?"

Mrs. Sims: "Was that it? My husband told me they had a "bug" in there. I thought he meant they brought bugs in the house with them."

Watkins: "I'll get hold of Dutch tonight and talk to him....."

The following calls indicate the comfortable circumstances under which Anderson and his companion served time while incarcerated in the city jail; - 5:00 P.M., Mar. 7, 1937, in part -

Watkins: ".....Both of the fellows have been out in front all day as trustys. They'll be released soon."

Mrs. Sims: "That's good,....."

and the call at 8:24 P.M., when Anderson's brother spoke to Akers from Little Rock -

Anderson: "..... What time shall I come for that boy?"

Akers: "I am going to take it up in the morning....."

Anderson: ".....Say, you want to release him don't you?"

Akers: "I've got them out now. They are out in the sunshine now."

Anderson: "I want to spring those boys. As soon as you get a release, I'll come over and get him. You want him to get out of town, don't you?"

Akers: "Yeah. Call me tomorrow."

Anderson: "Alright, Chief....."

and the call at 8:30 P.M., March 8, 1937, when a man named Joe called the Police Department and spoke to "Swede" about Anderson -

Joe: "...Is he (Anderson) still in jail?"

Watkins: "No. They're out on the streets today."

Joe: "Well, I'll be damned. I can't understand it."

Watkins: "I can't either....."

and the call at 8:37 P.M., March 8, 1937, when Mrs. Sims spoke with Watkins and asked whether Anderson's sister could come to the jail to speak with him --

Mrs. Sims: ".....Can she talk to him?"
Watkins: "They've been out all day. They're over at the
fights now."
Mrs. Sims: "Well, you treat your prisoners nice. Are you
going to hold him?"
Watkins: "I don't suppose so."

The following call at 10:02 A.M. on March 9, 1937, between
Chief of Detectives Akers and a man who probably was Anderson's
brother, is interesting, portions of which are herewith set out:

Man: ".....I talked to King. He said he couldn't get
in touch with them either. He is going out and
try to get some money, but doesn't know whether
he will have enough time. When can I come over
and get them?"
Akers: "I've got to see another man today. I told a man
I could get 25 a piece for them. I'll try my best
and they should be out today."
Anderson: "You know, whatever I do comes out of my own pockets."
Akers: "I know."
Anderson: "I'll try to do something. If I can find anything
around here, I'll let you know and let you and
Swede (Watkins) in on it. I may fold up here any
time. I'll guarantee you won't lose anything by it."
Akers: "Alright, partner."

This call and the following call at 8:02 P.M., on March 9, 1937, indicate that Anderson is making some proposition to Akers and Watkins, whereby all concerned can make money. Pertinent portions of the call at 8:02 P.M. are herewith set out:

Anderson: "I talked to that party.....He thought he
might go up to Chicago and then to Tanforan
(San Francisco Race Track). He may not get back
here, as the meeting (race meeting) is too far gone.
He might not come back at all, but it won't
matter if he gets the information he wants.
It will be just as good other places as it is here.
I heard that Hot Springs would be just as good
as ever soon."
Watkins: "Yeah, only the matter of a few days."
Anderson: "The reason is on account of "Coca Cola" (phonetic)
You can handle that and I can handle this. It
will be a year around proposition."
Watkins: "See me when you come over."

At 10:20 A.M. on March 10, 1937, Anderson's brother called from Little Rock and spoke with Watkins, and told him that he would take up the matter of Anderson's release with "Dutch." Watkins and Akers were apparently successful in arranging for the release of Anderson and his partner, for at 11:45 A.M., on March 10, the following call was overheard:

Akers: Called the Southern Club, asked for Roscoe.
Roscoe: "I put them boys on the bus for Little Rock."
Akers: "What about that finger guy?"
Akers: "He's on the payroll out there - I'll see you."

(Roscoe appears to be Roscoe Johnson, Manager of the Southern Grill.)

The air of secrecy and furtiveness surrounding the entire incident of the arrests and subsequent release of King and his companions manifested itself further in that contrary to the usual publicity given an arrest, no mention was ever made in the local Hot Springs newspapers of the arrest, incarceration and release of Earl King, Anderson or their companion.

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THE DIAMOND TRADE

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Apart from his multifarious activities in connection with vice and gambling, Akers apparently has time to act as a broker in the sale of merchandise. The following calls refer particularly to Akers arranging for the sale of diamonds to a Mrs. Dennis through a man named "Ruby". From information obtained from the logs this man is probably identical with one Robert "Ruby" Baum of North Little Rock, Arkansas, who has the reputation of being a "fence for hot goods." From statements made during these conversations it appears that the transaction is not entirely legitimate. Particular note should be made of the assurances that Mrs. Dennis gave to Akers that he could trust her. On the other hand, it is probable that Mrs. Dennis, in contacting Akers, probably had some assurance that he would not disclose to anyone the fact that she was dealing with him in the matter of purchase of diamonds.

The first call in this matter was overheard at 10:30 A.M. on March 3, 1937. The woman who probably was Mrs. J. W. Dennis, widow of Dr. Dennis and residing at 1803 Central Avenue, called Herbert "Dutch" Akers, and the reporting agent at that time understood the name of this woman to be Mrs. Dudley. The following was overheard during this conversation:

Mrs. Dudley: ".....Mr. Akers, I want to buy something from you. I don't want to mention it on the phone.

Will you come by?

Akers: "Go ahead and tell me, it's all right."

Mrs. Dudley: "Well, you got any diamonds?"

Akers: "Got some small ones."

Mrs. Dudley: "How about some one or two carats?"

Akers: "I tell you, I'll look around, and see what I can pick up. I'll let you know."

Mrs. Dudley: "I was telling Mr. Scott yesterday I wanted to see you, you're not afraid of me, are you?"

Akers: "Oh, for Christ's sake no."

Mrs. Dudley: "Thank you, Mr. Akers."

Akers was apparently successful in locating someone who had the type of merchandise in which Mrs. Dennis was interested, as he received a long distance telephone call from a man called "Ruby", at Little Rock, at 10:02 A.M. on March 9, 1937. During this conversation Akers gave "Ruby" the address and telephone number of Mrs. Dennis and told Ruby that Mrs. Dennis desired to purchase some diamonds. Akers stated further that Mrs. Dennis had plenty of money, and suggested that Ruby call her and to bring some nice stuff over and that he, Akers,

would go out with Ruby to see Mrs. Dennis.

"Ruby" apparently got in touch with Mrs. Dennis, as at 7:03 P.M. the same date, Mrs. Dennis called Akers and told him that Mr. Barnes (probably mistaken for Baum) had called her and stated that he would be over the following morning at eleven o'clock. Akers then stated to Mrs. Dennis:

"I probably will be out with him. I have a ring less than two karats I would like to sell you. I need the money and would sell it to you cheap."

Mrs. Dennis: "I wanted two karats. You know, Mr. Akers, I'll keep this confidential. I want it and don't care where it comes from. You know you can trust me."

Akers: "Oh, I've known that for a long time."

At 11:36 A.M., March 10, 1937 a man called Akers on the telephone and stated that he and Ruby were in town. Akers thereupon made arrangements to meet Ruby and his companion in front of the Blue Ribbon Bar, a gambling establishment.

DPS:cpw

ELECTION FRAUDS

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Throughout the period while the telephone taps were being maintained on the telephone of Mayor Leo P. McLaughlin, numerous conversations were overheard which indicated that McLaughlin, as head of the political organization of Hot Springs and Garland County, not only condones, but actually engages in the violation of State laws pertaining to elections. From the information obtained, it is definitely shown that these violations exist as to the following:

1. Illegal assessments of poll taxes.
2. Illegal payment of poll taxes.
3. Illegal voting of the fraudulently secured poll tax receipts, secured through the above means.
4. Making use of gamblers and city employees in the soliciting of illegal poll tax assessments.
5. Use of gamblers and city employees in voting the illegally secured poll tax receipts and assisting others to do so.
6. Appointment of, and domination over corrupt election officials.
7. Opposition to "Pure Election Legislation."
8. Violating state election laws covering the secrecy of the ballot, through corrupt election officials.

In all of the above mentioned violations it appears that Mayor McLaughlin, as head of the political machine, has been the instigating factor.

In order to understand the power which the McLaughlin political machine exerts locally, it is only necessary to view the results in the recent election for Mayor in that city, held on April 6, 1937, when, as incumbent for the past ten years, Leo P. McLaughlin, was opposed by a local attorney, Elmer S. Tackett, brother of State Representative Boyd Tackett and also himself a former State Representative. Mayor McLaughlin was re-elected, receiving a vote of 4,699 to 211 for his opponent. It should also be noted that Mayor McLaughlin was the only member of the city administration receiving opposition in that election, the incumbent city officials being automatically re-elected by large votes.

Illegal Assessment and Payment of
Poll Taxes, combined with Legal Voting
of Fraudulently Secured Poll Tax Receipts
so Secured -

Although his re-election was never once in doubt, McLaughlin took an active interest in running up as large a vote as possible. Apparently his thought in this connection was to impress Governor Carl E. Bailey and any critics throughout the State, with the power with which he dominates the political circle at Hot Springs, and in this manner he hopes, no doubt, to be able to secure favors from the Governor and the State administration in the future. In order to remain in power at Hot Springs it appears that McLaughlin and his political associates have devised a system whereby numerous votes, variously estimated at between 2,000 and 4,000 are cast in any city or county election in favor of McLaughlin endorsed candidates, which votes are not from bona fide residents of the city or county. To accomplish this, the Mayor calls into his office various members of his political machine, comprised mainly of employees or operators of gambling establishments and employees of branches of the city Government, for a meeting prior to an election. At this meeting he supplies them with blank books or lists of poll tax assessments. These members of his political machine then have these poll tax assessments either authorized or signed by some other party authorizing the assessment of his or her poll tax by someone else. It does not appear to make any difference whether the person signing or authorizing the assessment is a citizen of the city or county, since information obtained indicates that large numbers of these signers or conscriptors are the visitors and attendants of the Oaklawn Race Track during the Spring racing meet there.

Upon securing the necessary number of signers to the book, authorizing assessment of their poll tax, these slips are apparently delivered to the County Clerk's office for assessment of poll tax, amounting to \$1.00 each, and the name of the person so desiring his poll tax assessed is illegally recorded in the County Clerk's office as being a qualified elector of the county, and eligible for voting in the next election.

There has been no definite information received over the telephone taps indicating conclusively that the necessary money for payment of these numerous and bogus poll tax assessments is supplied by W. S. Jacobs or by Mayor McLaughlin, but it was so charged by witnesses appearing before the legislative investigating committee, and it seems highly probable that this is the case.

The final phase in this fraudulent voting system operated by Mayor McLaughlin is completed on the day of the election, when the

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inside members of his machine, comprised mostly of gamblers and employees of the city, including police and city firemen, are supplied with the lists of the persons for whom illegal poll taxes have been paid, as set forth above. Naturally, with such lists, coupled with the fact that McLaughlin sees to it that only friendly election officials are appointed to serve at the polls, it is an easy matter for workers to transport to the polls any number of their friends or visitors to the city, who are able to vote many times each for administration endorsed candidates, by using the various names contained in the lists which are actually the names of illegally registered electors.

Definite information concerning the meeting at the Mayor's office referred to in the above paragraphs appears in the logs covering the tap on the Mayor's telephone for the date March 18, 1937. Beginning at 9:31 A.M. on that date, and continuing for several hours during the morning, Miss Hazel Marsh, Secretary to the Mayor, called numerous gambling places in the city of Hot Springs. In each instance Miss Marsh requested the operator or employee of the gambling house to whom she spoke, to come to the Mayor's office for a meeting on that morning, and "bring all the boys". The following gambling places were noted as having been called by Miss Marsh:

Citizens Sporting Results
Spencer's Cigar Store
Blue Ribbon Club
Millsaps Cigar Store
Ohio Club
Southern Club
Mazzia Cigar Store
Miller's Cigar Store

Employees of these gambling houses Miss Marsh spoke with or inquired for, are as follows: Ben Harrison; Oliver Spencer; Louie Larson; George Hackers; Gordon Henderson; Mr. Smith; "Mike"; Mr. Jackson; Jimmie Phillips; Roscoe Johnson; Herb Wheatley; "Red" Powers; Harry Bledsoe; and "Freddie". Co-incident with placing of the above calls to the operators of gambling establishments, Miss Marsh made calls also to the Police and Fire Departments and to the City Barn, requesting in each instance also that "all the boys come to the Mayor's office for a meeting." That this meeting was called by the Mayor for the purpose of having "the boys", both gamblers and city employees, organized for the purpose of securing lists of bogus poll tax assessments, is evidenced by a call received at 10:59 A.M. the same date over the Mayor's telephone from a woman who inquired whether McLaughlin desired to receive "the lists" from the ones who had already obtained them prior to the meeting. She was advised in the affirmative.

Also, in a conversation overheard over the tap on the residence telephone of W. S. Jacobs that same date, March 18, 1937, at 11:49 A.M.,

it appears that Roscoe Johnson, a gambling operator employed by W. S. Jacobs, advised him, Jacobs, that he had been in attendance on that morning at the meeting in the Mayor's office, which meeting had to do with poll tax assessments.

In point also with the above, there is set forth hereinunder that portion of an official report entitled, "Political Activities" which report was submitted by the majority of the legislative committee which investigated corrupt conditions at Hot Springs during the period January 14, to February 18, 1937. The Majority report of the committee bore the signatures of Representatives W. M. Thompson, Ike Murry and Lee Nichols.

Political activities

"The above mentioned alliances between public officials and those who run rough shod over the state's penal laws could not exist in any other sub-division of government in this country. But when we come to consider the system by which these public officials keep themselves in office, a system by which the voice of free people cannot make itself heard or felt at the polls, we can readily understand why such conditions can perpetuate themselves.

"The committee called before it the records of the tax collector of Garland county, and the records of the secretary of the democratic county central committee of Garland county.

"From those records, we learned that in a county with a population of about 44,000 people, 11,800 poll tax receipts were issued.

"Of this number, more than 2,000 were issued upon written order to the tax collector. The records of the secretary of the central committee showed that of the judges and clerks of the election, the following were employees of gambling houses: Matt Picchi, Loyd Lemons, Buddy Wakelin, Louis Longinotti, Pat Pollard, Cecil Parker, George Hinkle, Cecil Brock, Norwood Phillips, Gordon Henderson, Jack McJunkin and Floyd Banski.

"The following were also employees of the city or county government: Cecil Brock, Jack McJunkin, Tex Rutherford and two or three others.

"Witnesses testified that Mayor Leo P. McLaughlin, who seems to dominate the politics of the county called in various employees of the city of Hot Springs and gave them lists of names for whom they were to obtain orders for poll tax receipts. That having obtained those orders, receipts were issued by the tax collector, and delivered to the Mayor who sent the purchaser of these receipts to the city clerk who in turn paid him the amount he had paid for these recipts. At the proper time these receipts were delivered to the voter whose name

appeared thereon, if it was found that such voter could be counted upon to vote the so-called "administration ticket."

"It was also shown that on the day before the election was held, in August, 1936, Mayor McLaughlin called a meeting of employees of the city, judges and clerks of the election, and other persons identified with the city administration and made them a speech, in which he told them that all employees who did not go down the line for the administration ticket from governor to constable would be looking for a job the morning after the election.

"He also asked them to say to all business men of the city that if they wished to do well in their respective businesses, not only they, but their employees had better vote the administration ticket. That after this meeting, he called those selected to serve as judges and clerks of election to meet him in his private office for instructions as to their duties on election day. What those instructions were, we were unable to find out. We can only conjecture from the results.

"The records of the tax collector of Garland county show that several policemen and officers of the city of Hot Springs bought large groups of poll tax receipts, some of which they were unable to deliver. One policeman bought a list of 175, 39 of which he was unable to deliver for some cause or another, and our investigators were able to get possession of these undelivered recd pts, and the same are now in our possession. These city officials include George McLaughlin, brother of the Mayor and clerk of the police court; Mrs. Fannie McLaughlin, city health nurse, Charles Sellars, city policeman, and several others. Also, large lists were purchased by operators of gambling houses, including Roscoe Johnson, closely allied with the W. S. Jacobs interests, and several others."

The following quoted editorial which appeared in the Arkansas Gazette, Little Rock, Arkansas, on February 25, 1937, expresses the apprehension felt by law abiding citizens of the State as a whole, that the results of fraudulent elections held in the city of Hot Springs, Arkansas, might permeate and affect the welfare of the entire State:

The Test that Will Come in Garland County

"Last year Arkansas as a whole had roughly one certified voter for every six residents. But Garland county had one certified voter for every three residents. Eleventh county in the state in population, it had on the eve of the August primary the second largest certified voting list in Arkansas. Where White county, standing next above it in population, had 5,166 certified voters, Garland county, with 2,200 fewer residents, had 11,871.

"It was charged and never disproved that the Garland county voting list for 1936 contained names of thousands of persons who were not citizens or actual residents. The Hot Springs postoffice was unable to locate many persons, whose names were on the poll tax list, to whom letters had been mailed.

"If this situation should be repeated in 1938, when another state election will be held, it will be demonstrated that the 1936 legislature failed in its duty with its Hot Springs investigation. On the other hand, if Garland county should have a certified voting list reasonably proportionate to its population, a valuable reform will have been accomplished by the publicity and the legislative investigation that Hot Springs and Garland county brought on themselves."

It should be noted that the election Frauds mentioned in both the above quotations, were reported in newspaper editorials and the report of the legislative committee, which the McLaughlin machine instigated during the State primary election held in August 1936. However, from information appearing in this section, entitled "Election Frauds", which information was obtained preceding and during the city election at Hot Springs held April 6, 1937. It is evident that this same corrupt system of fraudulently controlled elections continues in the city of Hot Springs at the present.

Also pertaining to the more recent city election in Hot Springs, Mr. C. Floyd Huff, Attorney and U. S. Commissioner of that city, in a public statement made to the press and which appeared in the Arkansas Gazette, a Little Rock newspaper, on March 20, 1937, strongly condemned the McLaughlin controlled election machine, and stated as follows:

"While standing in the grandstand, I saw one of the ushers employed by the race track, in uniform, presenting a document to various persons for their signatures. Naturally this aroused my curiosity, and I succeeded in getting close enough to the usher to hear him request two spectators, both of whom were strangers to me, to sign the paper and to hear him explain that it was to be used to buy poll tax receipts.

"I was successful in getting a glimpse of the paper. It was a petition or authorization for the person named - but the space for the name was blank - to assess the poll tax of the persons signing the document. There appeared to be some 30 or 40 names signed to the paper. When the usher, whom I do not know by name but do know by sight, recognized me, he took the paper and put it in his inside coat pocket and walked off and began attending to his duties as usher.

"Someone's name will be filled in the petition or authorization as agent for all the signers, then assessments will be made for them, and poll tax receipts will be issued in the names of the signers. These poll tax receipts will be voted by someone.

"You can get a picture from this as to how we are handicapped here in having an honest election."

Mr. Huff stated further that he had been informed by a reliable source that the solicitation of names for use in paying poll taxes had been ordered by the administration at a meeting Thursday morning, at which the bookmakers of Hot Springs were requested to attend. It is noted that the meeting on Thursday morning no doubt refers to the meeting called by the Mayor at his office on March 18, 1937, which was a Thursday, and reflected in the above paragraphs.

Mayor McLaughlin's close affiliation with the chief racketeer and gambling czar of Hot Springs, W. S. Jacobs, has been set forth elsewhere in this report, but at this point it is deemed advisable to quote in part a telephone conversation overheard over the residence telephone of W. S. Jacobs on the day before and pertaining to the coming re-election of Mayor McLaughlin. The conversation took place at 12:21 P.M., April 5, 1937, between W. S. Jacobs and Tink Young of the Ohio Club, and is as follows:

Jacobs: ...The Kingfish (Mayor) wanted to know if you can let Eddie off.

Young: Yeah - what ya know?

Jacobs: There's a lot of talk about election figures, that he (Tackett) won't get 300 votes. That fellow (Bailey) is got to run again. If we get enough votes it may make him think, but I don't think it'll do much good.

Young: Judge Bouic is going over there with 3 or 4 fellows to see if he can't do something about specifying 3 or 4 places, Belvedere, Southern --

Jacobs: Yeah, he's taking care of himself.....

The above conversation clearly indicates that the reason McLaughlin is desirous of obtaining as large a vote as possible is that he wishes to impress Governor Bailey with his power at Hot Springs. The Judge Bouic referred to in the conversation is the former city prosecuting attorney, who was in office prior to the election of A. T. "Sonny" Davies. That Bouic had an interest in gambling establishments in Hot Springs was not previously known. It is also interesting to note that the "Eddie" referred to, who no doubt is Eddie Barnsback, an employee of W. S. Jacobs and also an election judge in the Seventh Ward, was in conference with Mayor McLaughlin one hour previously on that morning, as revealed in a call made by the Mayor over his office telephone to Frank Head, also an election judge, wherein McLaughlin stated that Eddie was then in his office.

Miss Hazel Marsh, the Mayor's secretary, also expressed the Mayor's idea in seeking to be re-elected by as large a vote as possible, in a conversation overheard between Miss Marsh and one Pat Brown at 3:26 P.M. on the day before the election. In this conversation, in

response to her statement that McLaughlin desired to "get out as large a vote as possible", Brown replied, "Yes, it will be good - so you can hold it (the election returns) up to certain people" (Bailey).

The following call, overheard on the telephone tap on the residence telephone of W. S. Jacobs at 10:55 A.M. on April 6, 1937, election day, is set forth in its entirety, since it so clearly illustrates the operations of the McLaughlin political machine in the voting of bogus names of voters in the lists previously secured from Mayor McLaughlin:

Jacobs: 1065.
Woman: Southern.
Jacobs: Is Otis or Lloyd around there?
Lloyd: Hello.
Jacobs: How near through are you?
Lloyd: I got about three or four names left on my lists.
Jacobs: That's good - where's Otis?
Lloyd: I don't know - he hasn't showed up yet. I don't know what to do about it. He's got about 30 or 40 names on his list.
Jacobs: Maybe he overslept or something - he ought to get out as soon as possible.
Lloyd: That's what I thought. Cap Smith had a few men hired, and they got all their's in.
Jacobs: That's good. Erb Wheatley is here now, and he's finished his list up.
Lloyd: I thought maybe we could help him a little.
Jacobs: Call Otis and tell him to get out - he must have overslept.
Lloyd: All right.

It is interesting to note also that parties involved in the above conversation, Jacobs, McGraw, Lemons, and Wheatley are gambling operators or employees of Jacobs, and are all conniving for McLaughlin's re-election.

With further reference to the method indicated in the above paragraphs, by which McLaughlin controls the city elections held at Hot Springs, there are quoted below excerpts from telephone calls overheard on the Mayor's telephone on April 5, 1937, the day before the election.

At 9:48 A.M., McLaughlin called J. M. Lowery, the Deputy County Collector, and asked if he had "checked over everything", to which Lowery replied that he had, and that he had talked with Arvis (identity unknown) who was "all right". It seems reasonable to presume that this conversation referred to Lowery's having checked

over the lists of fraudulent and illegal poll tax registrations secured by McLaughlin's cohorts and possibly the collection of the assessments against the names appearing in the lists from either Mayor McLaughlin or W. S. Jacobs.

At 11:22 A.M. on this date, Miss Marsh called the City Clerk's office and inquired of Mrs. Violet Bennett if he "he" (Emmett Jackson, City Clerk) had a "list". Mrs. Bennett replied in the negative. No further conversation was had in that regard. At 11:30 A. M. Mrs. Fannie McLaughlin, sister-in-law of the Mayor, and City Health Officer, called Omais Sellers, an ex-police officer, at his residence and instructed him to return to the Mayor's office with his "list", explaining, "we thought of another angle that might work better."

The following quoted conversation between George McLaughlin, brother of the Mayor, and Mrs. Violet Bennett of the City Clerk's office, no doubt refers to the books of the fraudulently assessed poll tax receipts:

12:05 P.M., Apr. 5, 1937, outgoing on No. 648 H.A.S.

Geo. McLaughlin: Called 184 (City Clerk)

Violet Bennett: Hello.

George: How many 'books' have you?

Violet: Six.

George: Give two to Elizabeth (McLaughlin).

Also illustrative of how the fraudulently listed names are voted, as bona fide electors, the following calls appear pertinent:

At 11:48 A.M. on April 6, 1937, election day, Grace Goldstein, madam of a house of prostitution, called the Police Department and conversed with Captain Ben Rogers, as follows:

Grace:Mr. Rogers, this is Grace at the Hatterie Hotel.

Where is Jack? (McJunkin)

Rogers: I don't know, at the polls somewhere.

Grace: Well, you see he is supposed to look out for us up here at the Hotel. He said he had some extra ones for men, and I've got some men lined up here waiting. (Laughs)

Rogers: I'll get hold of him for you.

Grace: Sure do thank you, 'hon.

Immediately after this call was received by Captain Rogers at the Police Station, he called the Mayor's office and asked McLaughlin if Jack McJunkins (City Fireman and Chauffeur to Mayor) was there. Upon being advised that McJunkins was not there, Rogers informed the

Mayor that "a party" (Grace Goldstein) wanted Jack McJunkins right away and that he, Rogers, was coming up to talk to McLaughlin about it. In these two calls we see the Mayor, a Captain of Police, a Captain of the Fire Department, and the madam of the most notorious house of prostitution in the State, all conniving to have fraudulent votes cast in order that the Mayor might remain in power.

In addition to the two calls set forth above, further information was obtained from the telephone taps which definitely indicated that Jack McJunkins, a Captain of the Fire Department, assisted McLaughlin in organizing the voting of inmates and visitors of the houses of prostitution in Hot Springs. This information is contained in telephone calls made on election day by McJunkins over the Mayor's telephone. At 10:43 A.M., April 6, 1937, Jack McJunkins called Grace Goldstein at the Hattie Hotel (house of prostitution) and asked her what time she would be ready (to go vote). At that time Grace stated she would be ready later, "about 1:30 P.M."

Three minutes later McJunkins called Ada Garner, another notorious madam of a house of prostitution, and instructed her to "get all the people out up there" (to go vote).

Herb Wheatley, local gambler, also assisted McLaughlin in voting the inmates of houses of prostitution, as evidenced by a telephone call overheard at 1:39 P.M. on election day, over the Mayor's telephone, when a woman who identified herself as "Bonnie" called Dan Gilham, Manager of the Black and White Cab Company, and instructed Gilham to send a cab to 708½ Central Avenue. Information in the file indicates that this address is another notorious house of prostitution, known as "Bessie's Place". Bonnie's instructions upon arriving at this place were to "tell the woman there that Herb Wheatley sent you."

Numerous calls were overheard emanating from the Mayor's office on election day to the taxi companies operated by Dan Gilham and also by John A. Clements. Both of these companies had previously offered to the Mayor free transportation in their cabs for any voters friendly to his administration, in order that such people might go vote.

Conversations which were overheard on the Mayor's telephone throughout the election day, which definitely show that he was implicated in having illegal votes cast by persons he knew to be friendly to his administration, are set out below.

On the afternoon of Election day, it was noted from the logs that several attempts were made by one Johnnie Scudder, a news reporter, to reach Mayor McLaughlin by telephone. At 3:55 P.M. on that day,

conversation

McLaughlin, in a with Scudder, was overheard to tell Scudder that it would be "all right" for him to vote at the polling place by Dave Dodd's filling station, even though in the same conversation Scudder had stated he was not qualified to vote.

Another instance of the same type of fraudulent voting, instigated and countenanced by Mayor McLaughlin, is found in a call which was overheard, made by Cecil Brock, a former Lieutenant in the Police Department and now under indictment in the Garland county court for murder, outgoing from the Mayor's telephone at 1:10 P.M. to Yvonne (Vielle), Cashier at the Eastman Hotel Coffee Shop. As noted in a portion of the conversation quoted below, Yvonne made objections to Brock's suggestion that she vote, on the grounds that she could not legally do so. Brock, however, had no such qualms, as he influenced her to vote, and made an engagement to meet her at the Post Office for that purpose. It is also interesting to note that in this connection, Special Agent B. M. Suttler proceeded to the vicinity of the Post Office, where he observed Brock, accompanied by two young women, one being recognized as the Cashier of the Eastman Hotel Coffee Shop, leaving the city hall, which is near the Post Office. Thereafter, in a casual conversation it was learned that this young woman is named Yvonne and that she had cast a vote in this election. Brock's conversation with this young woman was as follows:

Brock:Ready to vote?
Yvonne: He don't need my vote.
Brock: Oh yes he does.
Yvonne: I can't vote.
Brock: Oh yes you can, you and Betty meet me in a few minutes.
Yvonne: Wait a minute. (She paused, turned to Betty and said, "Cecil wants us to meet him and vote, he says we can both vote, Come on, why not.") Then to Brock - Betty says all right.
Brock: Meet me at the Post Office in 10 minutes.....

The day before the election a Mrs. Ford telephoned to McLaughlin and inquired whether she could vote, stating that she lived next door to Bernice and Jack. McLaughlin advised her that it would be all right for her to do so, and to cast her vote at the polling place "down on Malvern."

Further conversations of the same nature, indicative of corrupt voting, appear in the logs.

An unidentified man called Mayor McLaughlin at 10:15 A.M., over his office telephone, on April 5, 1937, and advised McLaughlin that he did not have a poll tax receipt. The Mayor's response to him was "Come by the office". One minute later, at 10:16 A.M., another man, unidentified, but whose voice McLaughlin evidently recognized, called and stated that he works at the Goodyear Company, and informed McLaughlin that he would like to vote, "but didn't know whether he could do so or not". McLaughlin likewise told him to come to the office and talk it over. In both the above instances it was inferred from the conversations that the party calling would be allowed to vote in the election, irrespective of the fact that they had not paid their poll tax and registered as required by law, as it appeared to McLaughlin that they were friendly to the administration, and would vote for him.

To show that the information contained on conversations quoted above and hereinafter, is definitely in violation of the laws governing the holding of elections, a digest of the State laws pertaining to elections is herein set forth. Certain portions of the election laws deemed impertinent are omitted. For instance, the laws governing absentee ballots, since nothing in the investigation, so far, has showed that absentee ballots are used by McLaughlin in connection with his fraudulent elections, as there were only approximately 90 cast in the city election held April 6, 1937;

ACT 123

AN ACT to prevent Illegal or Improper Voting in Any General or Special Legalized Election in the State of Arkansas and to Supplement the Procedure in Primary Election Contests and to Provide for the Proper Assessment and Payment of Poll Taxes in the State of Arkansas, and for Other Purposes.

SECTION 1 - It shall be unlawful for any person to cast a vote in any General or Special Election held in the State of Arkansas - unless the person so casting shall be a qualified elector as defined in the Constitution of Arkansas, Amendment 6 and Section 3736 of Crawford and Moses Digest.

SECTION 2 - It shall be unlawful for any person to cast a ballot in any election so held as set forth in Section 1 of this Act unless the said person shall have previously assessed and paid a poll tax as now provided by law and which said assessment and payment of poll tax shall have been made by the person so casting a vote in person or by some person authorized by such person to so assess and pay such poll tax aforesaid; provided that in the event that such an assessment is made and poll tax paid by an agent, the said agent must exhibit to the assessing officer or collecting officer, authority in writing from the person or persons so desiring an assessment to be made or the

poll tax paid and it shall be the duty of the said assessing or collecting officer, to file in his said office the said such written authority from the person or persons so authorizing their assessment to be made or their poll tax paid, and to keep the same on file in his or her office for a period of two years and the same shall be open for at all times to the inspection of any interested person or persons.

SECTION 3 - It shall be unlawful for any collecting officer in this State at any time after the personal tax records have been delivered to him by the County Clerk for the purpose of collecting the personal taxes, to add to the said Tax Books the name of any persons whose taxes have not been previously assessed as now provided by law, and shall further be unlawful for any such collecting officer to issue a poll tax receipt to any such person whose name does not appear on the Tax Books in the manner now prescribed by law.

SECTION 4 - It is hereby made the duty of all collecting officers of the state, or their deputies, to issue Poll Tax Receipts in regular order as they appear in the books and upon the forms as issued by the State auditors office as now provided by law; and it is also made the duty of all collecting officers of this State to cease issuing poll taxes after midnight of the 15th of June of each year, provided the collector shall deliver to the County Clerk the certified list of poll tax payers within 15 days from June 15th of each year, and it is hereby made unlawful for any collecting officer to date such poll tax receipt, other than the correct date the same has in fact been issued; providing nothing in this section shall prohibit collecting officers from issuing poll tax receipts after June 15th of any year and in such case the said collecting officer shall stamp across the face of any such poll tax the following - "This poll tax issued after June 15th." When any such poll tax is so issued and stamped as aforesaid the same will not entitle the holder of the same to vote in any general or special election held hereafter in the year the said poll tax has been issued, and the names of any persons holding such poll tax receipts shall not be included in the list of persons paying poll taxes prior to the said June 15th in any year.

All poll tax receipts issued by the collector shall be made out and signed with pen and ink. No poll tax receipt shall be delivered to any person later than five days after the date of the issuance thereof and the date written on the poll tax receipt shall be the date of issuance. It shall be unlawful for any person to be found in possession of any poll tax receipt other than his own after five days after the date of issuance thereof. No candidate for office shall purchase either directly or indirectly any poll tax receipt except for himself or for his wife, parents and children. It shall be unlawful for any person to deliver to another a poll tax receipt and unlawful for any person to receive a poll tax receipt after five days after the date of the issuance thereof.

The violations of any of the provisions or requirements of this section shall be deemed a misdemeanor and shall be punished by a fine of not less than \$50.00 nor more than \$200.00 and the violation of any provisions of this section shall render the person so violating the same ineligible to hold any office in this State.

SECTION 5 - Declares it unlawful for any person who is a candidate for office to assess the poll tax of any person without written authority as provided in Section 2. When such is proven it will deprive such person from holding office in this State for four years.

SECTION 6 - Any person casting a ballot who is not a qualified elector or is not qualified to vote in a particular precinct and casts a ballot in same shall be fined not less than \$50.00 nor more than \$200.00. Any Prosecuting Attorney learning of such violation and failing to prosecute shall be subject to removal from office.

SECTION 9 - It is hereby declared to be unlawful for any person either an elector or candidate, to offer, accept, receive or pay any person money, goods, wares or merchandise or to solicit any goods, wares or merchandise for the purpose of influencing his or her vote or influence during the progress of any campaign for office in this State, and any person, either a candidate for office or any other person, whether an elector or not, violating the provisions of this section shall be guilty of a misdemeanor and upon conviction thereof, shall be fined in any sum not less than \$50.00 nor more than \$200.00.

SECTION 10 - HEREAFTER, any person who shall vote or offer to vote more than one time in any election held in this State, either in person or by an absentee ballot, or shall vote in more than one election precinct in any election held in this State, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in the sum of not less than \$100.00 nor more than \$200.00 and shall be disqualified to vote IN ANY ELECTION THEREAFTER FOR A PERIOD OF 5 years.

SECTION 11 - Any election Clerk or judge who shall permit the vote of any person to be cast in any election precinct of this State in any election legally held in this State, when said person does not appear in person at said election precinct and actually cast said vote shall be guilty of a misdemeanor and upon conviction thereof shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not less than \$100 and not more than \$500. and upon said conviction such person shall be prohibited from serving as any election judge or clerk in any election held hereafter in the State of Arkansas. Provided this section does not apply to persons entitled to vote an absentee ballot as now provided by law.

SECTION 15. - It is the duty of all County Clerks in this State to preserve the returns of all legalized elections. They shall be locked and sealed and deposited in the custody of the County Clerk and the same shall be preserved in their integrity by the said County Clerk.

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This wholesale securing illegally of poll tax assessments for parties who would not be qualified to vote in Hot Springs elections is indicated in a conversation overheard at 12:13 P.M. on the day before the election, when one Wyback advised Mayor McLaughlin that he was sending over "five to Mr. Page". Wyback requested advice as to whether he should put his name on them or not, at which time McLaughlin answered in the negative, stating, "Just tell Mr. Page that we sent you", and that Page "had a slip of paper there."

Jacobs' interest in poll tax receipts and in McLaughlin's election is reflected in a call at 10:50 A.M. over the Mayor's telephone on April 5, 1937, when Jacobs stated to McLaughlin that he had a boy who had to leave town before the election, and that his poll tax receipt was at his (Jacobs) place. Elmo Walters, speaking for McLaughlin, instructed Jacobs to have the boy go by and vote at the County Clerk's office before he left town.

The following conversations overheard over the telephone tap maintained on the residence telephone of W. S. Jacobs and also on the office telephone of Mayor Leo P. McLaughlin, definitely indicate violations of the State election laws by the McLaughlin-Jacobs combination, and their system in securing these lists of names to be illegally registered as qualified voters of the county:

6:20 P.M., Mar. 29, 1937, incoming on No. 2115 D.P.S.

Mayor: I used those fellows as far as I could go today, without creating - you know ---
Jacobs: Yeah, I know.
Mayor: Got a week to go, you know.
Jacobs: How many do you have?
Mayor: Altogether about 65, but all aren't in yet. I didn't want to overdo this with the same faces. There's such a thing as overdoing things.
Jacobs: Yeah.
Mayor: I want to get 1700 colors (phonetic) in the book. We opened up headquarters today, two places, one on Whittington and one on the South side. We want to do things right. It'll take about a "G" to do the job.
Jacobs: Yeah.

Mayor: Got two judges and clerks today, but it won't be announced until next week. I want to do it up right and cover the town. I was in the office until 4 o'clock today. I can use those boys some more tomorrow.

Jacobs: You told them to come down tomorrow, didn't you?
Mayor: Yes. They'll be down. I want to see Roscoe tomorrow morning, too.....

-0-0-0-

2:50 P.M., Apr. 1, 1937, outgoing on No. 648 H.A.S.

McLaughlin: Called 1065 (Southern Club) Asked for Otho Phillips.
Man: Call 2485 (Belvedere Club). There's an extension at the house.

-0-0-0-

3:00 P.M., April 1, 1937, outgoing on No. 648 H.A.S.

Phillips: Hello.
McLaughlin: Have you heard from that orchestra - Joe Capraro - about those registrations?

Phillips: No. He was supposed to have gotten them in, though.
McLaughlin: Well, they haven't come in yet. Suppose you call him up and get him to send them right up - by tomorrow.

Phillips: All right, I'll do that. They should be in.
McLaughlin: In case they don't get in by tomorrow, do you have a list of all their names?

Phillips: Yes.
McLaughlin: How many of them were there?
Phillips: About 30.
McLaughlin: All right. Call him up.

-0-0-0-

The above calls reflect that McLaughlin intends to have the members of an entire orchestra which was employed at the Belvedere Club operated by W. S. Jacobs prior to closing of that club, vote for him in the coming election. The fact that these individuals were only temporarily residing at Hot Springs, and no doubt will not return there in the future, makes no difference to McLaughlin. It is reasonable, therefore, to presume that he, through his organized machine, likewise votes jockeys and employees of the race track, visitors and transients, who are required only to sign a paper authorizing the assessment of a poll tax in their names, which poll tax is eventually paid by the gambling interests of the city. Further indication of this system of corrupt registration and assessment of voters by McLaughlin is apparent in a call received by him at 11:58 A.M. on April 2, 1937,

four days before the election, in which one Gentry, who operates Gentry's Cafeteria, called and advised McLaughlin that he had about 15 votes for him of employees of his cafeteria, but that the employees were not registered voters. Gentry asked advice as to how they could vote. McLaughlin's immediate response was "Come over Monday and I'll tell you." It should be noted that the laws of Arkansas require voters to be registered approximately one year previous to the election held in which he votes.

At 8:55 A.M. on April 6, 1937, the day before the city election Miss Johnnie Byrd, who appears to be secretary to Dr. O. H. King, a friend of the administration, advised Mayor McLaughlin that she and her sister wished to vote for him, but that neither had paid their poll taxes. Mayor McLaughlin informed Miss Byrd that it would be all right for them to vote, as their names were already "in the book". This call indicates that McLaughlin had arranged for or paid the poll taxes of Miss Byrd and her sister, in violation of the election laws of the State of Arkansas.

On the same date, at 5:10 P.M., one "Paul" conversed with Mayor McLaughlin, and advised him that he had "eleven" so far, the inference being that Paul had secured signatures on his list for illegal assessment of poll taxes, or voting illegal poll tax receipts previously secured. "Paul" also requested to be supplied with a sample ballot by McLaughlin, who stated in reply that he didn't have any, but for Paul to "just write his (McLaughlin's) name on a slip of paper for him".

It was noted in press releases covering the legislative investigation of Hot Springs that witnesses charged the use of sample ballots printed and widely distributed by McLaughlin on the day of voting, for the purpose of having the administration ticket voted. Evidently, "Paul" refers to some such sample ballot here, but McLaughlin being the only candidate with opposition, such a sample ballot was not needed.

Another case of fraudulent voting by a supporter of McLaughlin, at his instigation, appears in a conversation overheard on the Mayor's telephone at 5:25 P.M., on April 6, 1937, wherein McLaughlin is directly responsible for the casting of an illegal vote. At that time one Fred Williams inquired of McLaughlin as to whether Charlie Howe is in the county, adding that he works in the city. McLaughlin replied in the affirmative, and instructed Williams to have Howe vote at the City Hall. It can be inferred from this that the City Hall voting place was used by McLaughlin where non-residents of the city of Hot Springs, known to him to be favorable to his election, could cast illegal votes.

Circuit Judge Earl Witt's close association with Mayor McLaughlin is set forth elsewhere in this report. Therefore, it is not surprising that Judge Witt should be implicated with the Mayor in allowing illegal voting where it is known that such voting will be favorable to McLaughlin. For instance, the following call appears in the log of conversations overheard on the Mayor's telephone on election day, in which conversation, Judge Witt instructs Mrs. T. E. Sanders to cast an illegal vote for McLaughlin:

11:34 A.M., Apr. 6, 1937, outgoing on No. 648 H.A.S.

Earl Witt: Called 1587 (T. E. Sanders)

Asked Mrs. Sanders if she was going to vote for Leo.

Mrs. Sanders: Reported that she was unable to vote for failure to register. Asked if she could vote anyway.

Witt: Yes. I'll see that it's all right. Go ahead and vote. There'll be no questions asked about it.

Indicative of how McLaughlin's political machine uses the names of fraudulently registered voters in casting illegal ballots through other parties, it is noted in the logs of the Mayor's telephone that a girl, unidentified, who was at that time at "Sid's" informed Mayor McLaughlin that she had voted for him four times on that date, and had tried to vote some more times. From this conversation it appeared that this girl was unknown to McLaughlin and that her residence was New York City. "Sid" possibly is Sid Haupt. This conversation is as follows:

8:29 P.M., Apr. 6, 1937, incoming on No. 648 B.M.S.

Leo: Hello.

Sid: Leo? Sid. I want to congratulate you.

Leo: Thanks Sid, I heard the Old Doctor was down there
and was all right.

Sid: Sure, he's all right.

Wait a minute Leo, there's a girl here who wants
to talk to you, she's been raving about you for
an hour.

Leo: Who?

Sid: A girl from New York.

Leo: Oh - just another c--t. I don't want to talk to her.

Sid: But she's crazy about you, Leo.

Leo: Oh they're all crazy about me.

Sid: Aw, Bull-s--t sailor. Listen Leo, are you going
to talk to her or not?

Leo: All right, put her on.

Girl: Hello Mayor.

Leo: Hello honey.

Girl: I want to congratulate you, you were all right today, but you sound lonesome tonight.
Leo: I am.
Girl: Won't I do tonight.
Leo: Sure, you're all right for me any time, honey.
Girl: Listen baby, you don't know me. I'm from New York, but any time you're up there I wanna kiss you.
Leo: I rather kiss you in my own territory, this is my territory.
Girl: Say listen, I voted for you 4 times today and tried to vote some more, I wish you'd come over here.
Leo: You came down to the office after nine o'clock tomorrow morning.
Girl: No - tonight.
Leo: I'll see you in the morning, goodbye.

Along the same line, confidential information is also noted in the file of the KANMO case relative to election frauds at Hot Springs by McLaughlin. A reliable resident of Hot Springs, Mr. D. G. Saad, informed Special Agent R. N. Butterworth, as reported in that agent's memorandum dated July 11, 1933, that a notorious gangster from Seattle, Washington, named LaVoy had informed Saad that he, LaVoy, had voted 16 times for McLaughlin in the city election held in the spring of 1933. It can only be surmised that LaVoy used a different name each time he cast an illegal ballot for McLaughlin, which names were supplied him by McLaughlin's machine as being registered voters, secured fraudulently and, all of whom, no doubt were many miles away from Hot Springs at the time of the election.

Appointment of and Domination
Over Corrupt Election Officials

It does not seem possible that a person so voting illegally, as set forth above and at McLaughlin's instructions or one of his henchmen, would escape detection, were it not for the fact that the election officials at the polling places appear to be completely dominated by McLaughlin. That this is true was clearly indicated during the recent surveillance of his office telephone. At 3:07 P.M., the day before the election, one Tom Massey called Mayor McLaughlin's office and inquired about his appointment as an election judge. Massey, at Miss Marsh's request, telephoned again at 3:21 P.M., and requested of McLaughlin that he not be appointed a clerk, but that he be appointed a judge at a polling place, as he stated that he could do McLaughlin "more good as a judge." That Massey means by his statement that he can do more good as a judge can only indicate that through illegal means he will be able to assist McLaughlin during the actual casting of ballots by the voters.

As it is noted in the conversation quoted below, overheard at 3:42 P.M., April 5, 1937, Mayor McLaughlin appointed Jimmie Curtis to the position of election clerk at a polling place near Dave Dodd's filling station. As previously set forth in this section, that voting place was where McLaughlin advised Johnnie Scudder to go to vote, knowing that Scudder was not legally entitled to do so:

3:42 P.M., Apr. 5, 1937, incoming on No. 648 H.A.S.

Jimmie Curtis: Leo, did you want me?
McLaughlin: I want you to be a "clerk" up at the voting place by Dave Dodd's Filling Station. All you have to do is to write their names down when they come in.

Curtis: All right.

One Maurice Schiff telephoned at 9:50 A.M. on the day before the election to McLaughlin's office, regarding his appointment as an officer in the voting place of the first ward. Schiff stated that he failed to see his name on the published list of election officials. Judge Verne Ledgerwood, who conversed with Schiff, advised him to come down to the Mayor's office and they would see about it.

It was noted from newspaper accounts of charges made before the legislative investigating committee at Hot Springs that the personnel comprising the officials at the polling places during elections held at Hot Springs, were made up in a large part, of local gamblers. It was specifically alleged that in the past election there were 34 employees of gambling establishments in Hot Springs serving as officials at the polls. In the more recent city election held at Hot Springs on April 6, 1937, this appears to be likewise true, since it will be noted from the list published in the Hot Springs New Era newspaper of poll officials, both judges and clerks, set forth below, that many are employed at local gambling establishments.

NAME	WARD	CAPACITY
Adair, Ruth	5th	Clerk
Asbury, L. L.	5th	Judge
Bagley, Richard	8th	Judge
Barnsback, Ed	7th	Judge
Barry, E. G.	4th	Judge
Beam, "Ish"	6th	Judge
Bledsoe, Harry A.	2nd	Judge
* Bloom, Louis	1st	Judge
Brazil, Lester	4th	Judge
Driekrieds	3rd	Judge
Dougen, James	5th	Judge

<u>Name (Cont'd.)</u>	<u>Ward</u>	<u>Capacity</u>
Gibbs, Ernest	5th	Judge
Hotzakas, George	3rd	Clerk
Head, Frank	7th	Judge
Hinkle, George	6th	Clerk
Hoops, John	4th	Judge
Hughes, S. H., Sr.	1st	Judge
Jackson, Emmett	8th	Clerk
Jones, F. W.	3rd	Clerk
Joplin, Mrs. Thell	1st	Clerk
Mosbey, Tom	4th	Clerk
Lester, Chas. Sr.	8th	Clerk
Nobben, Wm. Jr.	5th	Clerk
Oregor, Arthur	2nd	Clerk
* Phillips, Norwood	2nd	Judge
Poe, Owen	6th	Judge
* Pollard, Pat	7th	Judge
* Rawson, Frank	1st	Clerk
Selig, J. B.	6th	Judge
Settles, Glen	8th	Clerk
Sims, Evan	7th	Clerk
Towney, Frank	3rd	Judge
Tucker, Cornet	2nd	Judge
Walters, Gilbert	8th	Judge
Witherall, Bann	3rd	Judge
Wright, Louis	2nd	Clerk

* Denotes gamblers.

That McLaughlin may have made a "slip-up" in the appointment of one of the judges at the polling places as far as his interest was concerned, appears evident in a telephone call overheard at 9:52 A.M. over the Mayor's telephone on election day, when Lloyd Lemons excitedly advised Miss Marsh that the Judge at the polling place in the 4th ward was challenging voters there, and not to send any more over. This conversation is as follows:

Lloyd Lemon:Hazel, tell Leo to keep people out of the Fourth Ward. The judge there is challenging all of the voters.

Hazel: He is? What's his name?
Lemon: Name is Berry. Tell Leo, because I know what I'm talking about.

Hazel: All right, Thanks.

Opposition to "Pure Election" Legislation:

The Arkansas Gazette, Little Rock, Arkansas, on March 17, 1937 carried a news article to the effect that a "pure election" bill (7240) had been introduced in the State Senate when it was in session at Little Rock. This bill was aimed, no doubt, at Hot Springs and Garland County, and carried provisions which would tend to reduce corruption in elections held in the State of Arkansas. The bill was written and introduced by Senators Wilkes and Gathings, and was known as the Gathings Pure Election Bill. It passed the Senate by a vote of 20 to 2 and was referred to the House of Representatives on February 25, 1937. Nothing appears in the logs of the surveillance of Mayor McLaughlin's telephone that he had knowledge of or was concerned about this bill until it reached the House for approval. McLaughlin naturally would be opposed to such a "pure election bill" and this is substantiated by a conversation overheard on his telephone when the bill came up for attention by the House. On March 1, 1937, at 9:20 A. M. Mayor McLaughlin telephoned Senator Wheatley of Garland County, who at that time was in Little Rock, and also at 10:45 A.M. he called Representative Jim Campbell by long distance telephone and in both conversations McLaughlin expressed his disapproval of the provisions in the bill and requested that Wheatley and Campbell exercise their influence in having the bill "killed". The Gathings bill, no doubt, would seriously interfere with McLaughlin and his political machine in its illegal operations during elections held at Hot Springs.

On the next day, March 2, 1937, McLaughlin continued his efforts to have the Gathings Pure Election Bill "killed" in the House of Representatives, as evidenced by a long distance telephone call made from his office at 9:42 A.M. to Carroll Hollingsworth, Parliamentarian of the House, but who appears to act more as a lobbyist before the house. In this conversation, which is quoted below, Mayor McLaughlin pointed out to Hollingsworth some of the reasons why he was not in favor of the passage of the bill. It is also interesting to note that McLaughlin referred to the sending of \$600.00 to Hollingsworth. McLaughlin referred to this \$600.00 very guardedly in his conversation, but it can be very easily inferred that this pertains to McLaughlin offering \$600.00 to Hollingsworth as a bribe for having the bill "killed". This inference is further substantiated by a long distance telephone call overheard over the police telephone several days later, when on March 7, 1937, Mrs. Akers called her husband, Herbert Akers, from Little Rock at 6:26 P.M. and advised him that she had heard while in Little Rock that Mayor McLaughlin had made several trips there "with dough" (money). Mayor McLaughlin's conversation with Hollingsworth is quoted, as follows:

Mayor:Listen, in reading over that thing I was talking to you about, I find about 10 or 12 objectionable features. Have you read it?

Hollingsworth: No, I haven't.
Mayor: Well, one of the objectionable features is the
watcher who stays at the polls all day is supposed
to sign the back of each ballot, that destroys
the secrecy, see. It seeks to do away with the
writing in of names during an election. There
are many other objectionable features. Besides
that, it becomes effective now, and we would
not want it to affect us next month. You know that.
Hollingsworth: I'll take care of this. Don't worry about it,
it's practically in the bag.
Mayor: And Listen, I want to bid in that delinquent lot for
500 and 100 penalty, that'll make 600 all told.
Hollingsworth: OK, now send me some more passes.
Mayor: I will, but don't forget this. I told Jim to work
with you on this and he will.
Hollingsworth: I'll take care of it, don't worry.

Also in line with the above mentioned payment of \$600 by
McLaughlin to Hollingsworth, is a call overheard at 12:34 P.M., March
11, 1937, when McLaughlin called W. S. Jacobs at his residence and
stated, "This fellow will be over here in the morning - I'll want to
get 600 from you for him." Jacobs' immediate response to this request
was "OK, I'll see you." That the request made by McLaughlin for \$600
from Jacobs in order to give it to "that fellow" is directly connected
with McLaughlin's guarded promise to Hollingsworth on March 2nd, is
more readily seen by pointing out that the State Legislature adjourned
on March 11, 1937, the day of McLaughlin's request for the \$600 from
Jacobs.

It was also noted from newspaper accounts that on March 11,
1937, the day of the State legislature's adjournment, the Gathings Pure
Election Bill had not come up for a vote. Evidently the McLaughlin-
Jacobs combination only pays it's bribes after "the goods have been
delivered" on legislation not desired by them. Mayor McLaughlin is
not above bribery of State officials and legislators, but on the other
hand such action seems to be his first thought, as evidenced by a
conversation overheard at 12:02 P.M., March 5, 1937, when, in discussing
the possible passage of a bill aimed at horse racing in Arkansas,
Ed Farris, Secretary of the Racing Commission, told McLaughlin that
one "Dick" was not able to be bribed in connection with the "killing"
of the horse racing bill.

Continuing in his efforts to have the Gathings Pure Election
bill "killed" throughout the day of March 2, 1937, Mayor McLaughlin
made long distance telephone calls and enlisted the aid of Representative
James Campbell at Little Rock and Representative J. O. E. Beck at Hughes,
Arkansas. He was assured of the complete cooperation of both of
these individuals concerning his request to make it impossible for the

bill to pass the House of Representatives. It is also of interest to note that Representative James Campbell of Garland County advised Mayor McLaughlin in a conversation at 9:52 A.M. on March 2, 1937, that he then had the Gathings Pure Election Bill in his pocket and intended to keep it there as long as possible. News releases appearing in the Arkansas Gazette, Little Rock, on March 17, 1937, giving a summary of the activities of the legislature during the recent session, may be through inference connected with Rep. Campbell's statement that he had the bill in his pocket, as the article reflects that this bill disappeared from the safe of the House of Representatives some time after it had been passed by the Senate and referred to the House for approval. Continuing, the news article set forth that thereafter the bill was not located and attempts made by its sponsor in the House to obtain the passage of a certified copy of the bill, met with parliamentary entanglements, and consequently no vote could be taken by the House. Previous to the failure of the Gathings bill to pass, Carroll Hollingsworth had informed Mayor McLaughlin by long distance telephone on March 4, 1937 at 10:47 A.M., that the bill (pure election bill) was on "ice" and that he was staying on it night and day.

Violation of Election Laws
Covering Secrecy of the Ballot
through Corrupt Election Officials

Witnesses appearing before the legislative investigating committee in connection with the investigation by that committee of Hot Springs, alleged that McLaughlin, through his political machine dominated the entire city, and that failure to vote for him would result in financial loss and boycott by any person or merchant so doing. That this is true is clearly shown in a conversation overheard over the Mayor's telephone at 8:14 P.M., Election night, when McLaughlin conversed with one "Bill" (Hamilton) concerning a party named Joyce Melville, who was formerly employed at the Oaklawn Race Track, and who McLaughlin had ascertained, had failed to vote for him in the city election:

Leo: ...Bill, this is Leo. You know that fellow Joyce Melville (phonetic) you had on the gate at the race track -

Bill: Yes.

Leo: Well, he's a dirty double crossing son-of-a-bitch, he voted against me today. I don't want him working at that race track any more on any job.

Bill: Well if he did that we sure don't want him.

Leo:

We had some words out at the track and he said
Cella was his boss and I had nothing to do with
him. Well, I'll have something to do with it
now, and that son-of-a-bitch won't work there.

Bill:

All right, Leo.

McLaughlin also had "inside information" throughout election day as to how the vote was going in each of the polling places. This information was supplied by various election officials at these polling places, and as noted in the calls set forth below, there is no apparent secrecy of the ballot in elections at Hot Springs. As early as 11:36 A.M., Eddie Barnsback, Judge in the 7th Ward, telephoned McLaughlin and advised him that he (McLaughlin) had 135 (votes) and the "other side" had only 12. Barnsback again called McLaughlin at 12:33 P.M., and stated that the vote was then 234 for McLaughlin. At 12:25 P.M., Gilbert Walters informed the Mayor that he had 137 so far, with a "perfect score", meaning, no doubt, none against him. At 12:27 P.M., Billy Adair, possibly a relative of Ruth Adair, Clerk in the 5th Ward, telephoned that McLaughlin had received 266 votes in that ward, with none for the opposition.

The following calls are interesting, in that the Dr. Eve mentioned in conversations with the Mayor is a colored physician in Hot Springs, and possibly is McLaughlin's representative in organization of the colored people there.

1:03 P.M., Apr. 6, 1937, incoming on No. 648

B.M.S.

Dr. Eve:

Dr. Eve talking, is everything going to suit you
out here? There's 900 in so far.

Leo:

Well, there's 2500 eligible in that ward.

Dr. Eve:

Somebody's making mistakes here, we've got to find
out who's making these mistakes out here.

Leo:

Why? What's the matter?

Dr. Eve:

Well, out of that 900 votes there were four for this
fellow Tackett, and we want to know who is making
the mistake.

(both laugh)

Leo:

Well you tell Pete and the Judges to watch those
tickets and see that they are made out right.

Dr. Eve:

Pete's in there now. I'll see you.

-0-0-0-0-

5:05 P.M., Apr. 6, 1937, incoming on No. 648

H.A.S.

Dr. Eve:

Reported to Leo that he had 1520 votes there to his
opponent's 20. Also had heard that he had 493 in
the 5th Ward against 3 for Tackett. "Somebody
was a little careless there with those 3."

Throughout the day the various calls continued to come in to the Mayor's office, in which McLaughlin was advised as to the exact results of the voting. At 4:50 P.M. Elmo Walters informed McLaughlin that he had received 498 votes to only 3 against him. Matt Picchi, local gambler, telephoned at 5:35 P.M., stating that McLaughlin had received 345 votes to 20 for the opposition at the polling place where he was. At 6:47 P.M., George McLaughlin, gambler and brother of Leo P. McLaughlin, informed that the total vote in the 5th Ward was 556 for him with 4 for his opponent. The last two lines in this conversation are interesting, and are being set out below:

George:I told Dugan that he had better swell that total, but he said "No."

Leo: Well, if that was the vote, let it stand that way...

-o-o-o-o-o-o-

HAS cpw

RACING IN HOT SPRINGS

-0-0-0-

The Act legalizing horse racing and pari-mutuel betting in the State of Arkansas, was passed by the State legislature in 1935 under the regime of former Governor J. Marion Futrell. Since that time Hot Springs is the only city in Arkansas where horse racing has been held. The track at Hot Springs is controlled and operated and operated by the Oaklawn Jockey Club, of which the following individuals are officials:

Charles J. Cella, President
Leo P. McLaughlin, Track Attorney
Dr. F. W. Ashe, Presiding Judge
Joseph E. Martin, Manager
Eugene W. Bury, Associate Judge and Racing Sec'y.
George R. Palmer, Associate and Paddock Judge
William Hamilton, Starter
Clifford Sanford, Clerk of Scales
A. J. Heffernan, Patrol Judge
Tom Moran, Timer
Dr. J. R. Randolph, Track Physician
Dr. E. L. Thompson, Ass't. Track Physician
H. H. Blahut, Veterinarian
Henry T. Schrader, Caretaker

The Oaklawn Race Track is situated outside of the jurisdiction of the municipality of Hot Springs, and police jurisdiction is vested in the Sheriff's Office of Garland County.

Leo P. McLaughlin, Mayor of Hot Springs, is listed as the track attorney for the Oaklawn Jockey Club, and it was principally through his efforts and influence that the 1935 Racing Bill, which legalized racing, was not repealed this year by the State legislature.

Shortly after Carl E. Bailey took office as Governor of the State of Arkansas, on January 1, 1937, he appointed the following men as members of the State Racing Commission:

R. C. Hilliard, Chairman
Edward Farris, Secretary
Chiam Reed
Conway Hale
Henry Morschermer
Ralph England
A. N. Jackson
Foster Vineyard

The Spring racing meet this year at Hot Springs was held from March 1 to April 3, 1937. During 1935 and 1936 the policing of the Oaklawn Track during the racing meets, was granted to and supervised by James Floyd, who was then Sheriff of Garland County, Arkansas.

On January 1, 1937, Marion Anderson, who is a part of the political circle of corruption in Hot Springs, took office as Sheriff of Garland County, he having been Chief Deputy Sheriff in this county for many years previously. A few days prior to the opening of the racing meet on March 1, 1937, several calls were overheard over the telephone of Mayor Leo P. McLaughlin, which tended to show that Sheriff Anderson was angling to obtain the concession of policing the Oaklawn Race Track during the current racing meet. It was noted that A. T. "Sonny" Davies, City Attorney, and Municipal Judge Verne S. Ledgerwood, appeared to have some interest in obtaining this fruitful concession for Sheriff Anderson. In this connection, Judge Ledgerwood was overheard to call Mayor McLaughlin at 10:57 A.M. on February 27, 1937, and say to him, probably in referring to Sheriff Anderson -- "He's here now and says he is willing to assume all the responsible if he can select the twenty men." Mayor McLaughlin was apparently not pleased with this arrangement, and said to Judge Ledgerwood, "Have him call Cella (President of Track) himself. It looks like a plain "shake" to me." A few minutes later McLaughlin, apparently disturbed and probably feeling that this might jeopardize his position with Charles Cella, President of the Track, called Judge Ledgerwood back and told him to keep him (Mayor) out of this entanglement. To this Judge Ledgerwood replied, "He says he is willing to take the fire if he can carry his own twenty men." "He says the Chief is going on the payroll if he is successful. Marion said that Cella is to call Martin (Track Manager) and Martin will get in touch with Marion. He says he will put Arch (Cooper) on and some others. I tell you, you get in touch with Cella and I think it will all be ironed out."

Mayor McLaughlin, apparently somewhat appeased after the above call, immediately telephoned Charles Cella at St. Louis, Missouri, and engaged in the following conversation with him:

Mayor: "That fellow talked to another man a while ago.

He will furnish 20 men at \$5.00 a day for \$3000, making a total of \$4500.00."

Cella: "I won't do it. I'll get my own patrol first. Tell him I'll give him \$50.00 a day for himself. That will be \$1500 for the season and 10 men at \$5.00 a day, which will be \$1500.00, a total of \$3000.00 for the season. That's final. If he won't do it, I'll go to the Governor.

Mayor: "Alright, I'll tell him. When are you coming down?"
Cella: "I don't know. I am quite busy. If I can make it
I will be down tomorrow."

A few minutes after the above conversation with Cella, Mayor McLaughlin talked with A. T. "Sonny" Davies and said to him, "Tell Marion I just talked with Cella, and he said he only needed 10 men at \$5.00 a day - a total of \$3,000.00 for the season." Davies indicated that this proposition seemed fair, and said that he would advise Sheriff Anderson about it.

This deal was apparently consummated, as at 12:06 P.M., February 27, 1937, some unknown man called from the Police telephone and asked Mayor McLaughlin whether there was any chance of him getting employment at the track. The Mayor said, "Go and see Marion. He is putting some men on. Tell him I want him to place you somewhere."

Inasmuch as the above call emanated from the Police Station it is reasonable to presume that the party calling in regard to a job at the race track was either a police officer or one of the seven former officers who were indicted for the murder of John Dickson, as it was observed that even though these men were subsequently discharged from the police force they continued to use the telephones in the Police Department to make social and business calls. As

stated before, the racing meet was in progress at the Oaklawn Race Track from March 1 to April 3, 1937. It was noted from the telephone surveillance at Hot Springs that the following individuals were some of the men that were employed by Sheriff Anderson to police the track:

Herbert "Dutch" Akers, Chief of Detectives
Weldon Raspberry, Chief of Police
Garnett Moore, Detective
Richard W. Davis, former State Revenue Agent
Archie Ledgerwood, brother of Municipal Judge Verne S. Ledgerwood.

The following conversation had on March 1, 1937, between A. T. "Sonny" Davies and Mayor McLaughlin appears to be of interest in this connection:

Davies: "Is Cella coming to town?"
Mayor: "Not today, but he'll be here Tuesday or Wednesday."
Davies: "Well, I want to know if I will be with the race track - you know - let me know how I stand. I was told I was to be an associate attorney. I will have to know something so I will know how to act accordingly."

Mayor: "Sure, that is right. Well, you see him Tuesday
or Wednesday and talk it over with him....."

Other persons who appeared to have some interest in the
Oaklawn Race Track, as was reflected from the telephone taps, are
the following:

Sam Alexander, Concessions
John Condon, Captain of Police
William Hamilton, Steward
Johnnie Holder, Financially interested
Edward Lindsey, Capacity unknown
Frank Pace, attorney, capacity unknown
R. W. White, Starter

JLM:cpw

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In investigations that have been conducted by the Bureau at Hot Springs, Arkansas, in instant case and other matters, information has been obtained that officials of the Hot Springs Police Department are closely aligned with and apparently protect notorious criminals which would make this city a place of refuge. It has been learned that officials of the Hot Springs Police Department "tip off" such criminals when efforts are made by outside law enforcement agencies to apprehend such persons while they reside at Hot Springs, Arkansas.

The following call, which will be quoted in it's entirety, definitely proves the truth of the above statements. It will be noted that the conversation is between Chief of Detectives Herbert Akers and J. Mack Wilson, Collector of Garland County. At the time this call was made by Akers, the brother of Wilson, who is referred to, was wanted by the United States Secret Service in connection with a violation of the laws of the United States.

6:00 P.M., Feb. 7, 1937, outgoing on No. 123 H.A.S.
Akers: Called 3217 (Mack Wilson)
Mack: Hello.
Akers: Have you got a brother?
Mack: Yes - four of them.
Akers: One named Phil (phonetic)?
Mack: Yes - he's supposed to come in here in a few days.
Akers: Well, I just thought I'd let you know that the Government is looking for him. Fellow with the Secret Service was just asking me for information where he would be. I didn't let on much. Referred him to Albert. He's going to see Albert in the morning and he will probably send him out to see you. I told him that I couldn't give him much information.
Mack: What's he wanted for?
Akers: For forgery on a Government check. I happen to know that they handle forgeries only when it's on a Government check. Has your brother been out west in a CCC camp?
Mack: Yes. He was supposed to have left there and headed back this way. The Government has been mailing his CCC check here to me each month and I'd send him part of it.
Akers: Well, whatever this was must have happened out there at the camp. Guess he'll be out to see you - just wanted to get word to you.
Mack: Thanks for letting me know.

The Bureau files reflecting the results of the various investigations conducted concerning Hot Springs, Arkansas, point to the fact that Chief of Detectives Herbert Akers cleverly covers up

his treachery in "tipping off" criminals of the activities of law enforcement agencies by extending to such agencies every apparent aid. The following conversation, at 10:00 A.M., on February 8, 1937, was probably made by Chief of Detectives Akers while in the presence of an operative of the United States Secret Service. Akers did this apparently for the purpose of covering up his own treachery in previously tipping off Mack Wilson of the efforts being made to locate his brother:

10:00 A.M., Feb. 8, 1937, outgoing on No. 125 W.T.M.

Akers: Hello Mack. When have you heard from your brother Al?

Mack: Who?

Akers: I mean Fred. When have you heard from him.

Mack: I haven't seen him in about two months.

Akers: Do you still get his CCC checks?

Mack: Well, he was in a CCC camp.

Akers: Well, he isn't now.

Mack: No. I heard from him. I got a letter from him about two months ago. He was in some little town - I can't remember. I could tell you if I could find that letter.

Akers: Will you please see if you can find that letter and call me?

Mack: All right, sure will.

DPS epw

A review was made of the files in the Kanmo, Frank Nash, and Brekid files for the purpose of obtaining information bearing on the conditions existing in Hot Springs prior to the inauguration of instant investigation. The information obtained through these reviews will be set immediately hereafter. It will be seen that the corrupt conditions existing in Hot Springs at the present time are almost identical to those found in that city three or four years ago.

The fact that Leo P. McLaughlin, Mayor of Hot Springs, Arkansas, is at present known to be in sympathy with the racketeers and makes no attempt to conceal the fact that he is a benefactor and protector of these racketeers, as revealed by the recent five months surveillance on telephone taps conducted in Hot Springs, is no recent revelation.

As far back as June, August and November of 1933, and April of 1936 there is evidence in the files of the Little Rock Division to corroborate the facts that even then Mayor McLaughlin was known to both the citizens of Hot Springs and his subordinates as a benefactor of criminals, and tolerated crime and vice in the city. The following excerpts present a striking picture of the intra-corruption of the body politic of the City of Hot Springs, working in unison to create a haven for criminals.

The following is quoted from a memorandum of Special Agent F. S. Smith of the Oklahoma City Division, dated June 15, 1933, in the Kanmo file:

"That there exists a system engineered by the Mayor (McLaughlin) of Hot Springs cooperating with the mouth pieces for organized criminals to wit, con rackets principally by which asylum with full protection while in Hot Springs; that those elements are fully protected against tip-off or arrest and in the event they are arrested and incarcerated they are summarily released, therefore avoiding any possibility of their being extradited or removed from Hot Springs. Informant stated that he is acting in the capacity of rendering the desired protection under instruction from his superior, the Mayor (McLaughlin) of Hot Springs."

That this is true is well illustrated by the facts and circumstances of the "Lucky" Luciano case, file #88-17, Little Rock Field Division.

This case reflects that Luciano was arrested April 1, 1936 by Detective Charles Brennan of the New York City Police, and Marion Anderson, Deputy Sheriff of Hot Springs, Arkansas. (Now Sheriff).

Subsequent to his arrest Luciano was taken before Chancellor Sam W. Garrett in Hot Springs, who fixed his bond at \$5,000.00. Luciano immediately executed his bond. It is interesting to note that the surety on this bond was W. S. Jacobs, the czar of gambling at Hot Springs, and a close personal friend of Mayor McLaughlin for the past 15 years.

Subsequent to his release on bond he was re-arrested and the following day he was again taken before Judge Garrett, this time on a writ of Habeas Corpus. The present City Attorney, A. T. "Sonny" Davies, together with Richard Ryan, represented Luciano at this hearing. The original warrant upon which he was arrested was at this time dismissed upon the motion of the State Attorney General. Upon dismissal of this warrant two deputy sheriffs of Pulaski County, Arkansas, attempted to re-arrest Luciano on a fugitive complaint. By constant maneuvering of Luciano's attorneys and the full cooperation of the Mayor and other city officials, a legal fight ensued that nearly defeated the extradition and caused contemplated action on the part of the Federal Judge to cite City Attorney A. T. Davies and others involved for contempt of court. Contempt of court charges were in fact filed against Davies and Deputy Sheriff Roy Emry of Garland County in the Pulaski Circuit Court because of their refusal to surrender Luciano after warrants were duly issued for his arrest. These charges were recently nolle prossed by the Pulaski Circuit Court.

The Luciano case is a vivid example of the means and ends used by the political machine of Hot Springs to offer asylum for criminals.

In the report of Special Agent L. M. Chipman, Oklahoma City, Oklahoma, dated November 1, 1933, in the Kamm file, there is a clear illustration of how Mayor McLaughlin even goes so far as to recommend gangsters and classify them as his friends, to wit:

"Mr. Sevier further stated that he rented this group a cabin upon the recommendation of Leo McLaughlin, Mayor of Hot Springs, that he informed the Mayor that he did not want them as tenants if they were gangsters and the Mayor told him they were lawyer friends of his from New York."

It turned out that this group was part of Luciano's gang, one being Michael Coppola, a dangerous and vicious killer.

In this same memorandum the following paragraph is of interest:

"C. A. Bucklow, a detective of Hot Springs Police Department, advised agent that the day Frank Nash was arrested at Hot Springs, he, Bucklow, was at the Police Department when Richard Galatas came down the steps, apparently from the Mayor's Office, and asked for Herbert Akers. Galatas informed Bucklow that a man had just been kidnapped by three men out of the White Front Cafe."

Galatas was generally known as the leader of the underworld and "payoff" man in Hot Springs. This above admission definitely links Galatas with Herbert Akers, Chief of Detectives, and Mayor McLaughlin. It is obvious that the moment Nash was arrested Galatas immediately went to Mayor McLaughlin and Herbert Akers for either an explanation as to why there had been a slip and Nash had been arrested, or where they were taking Nash. The following admission from Herbert Akers shows clearly the standing of Galatas in Hot Springs and his tie-up with city officials for the bargaining of protection for criminals and racketeers.

On June 24, 1933, Herbert Akers informed S.A.C. Colvin as follows:

"That Galatas is the official representative of the gangster world in Hot Springs and gets orders from the head of a big criminal organization in Chicago, said to be dominated by a man named White, and that it is Galatas' duty in Hot Springs to arrange for and afford protection to the gangsters who come there to cool off or for other purposes."

This admission by Akers, combined with his prior admission to Agent Smith on June 15, 1933 as quoted aforesaid in this memorandum, definitely shows the fraternal spirit existing between Galatas (as the underworld mouthpiece), Herbert Akers (as the local representative of law enforcement), and Mayor McLaughlin (the voice of the administration).

These admissions reflect that as far back as 1933, Hot Springs, Arkansas, enjoyed a national reputation as a haven for big-time gamblers, racketeers, gangsters and other types of underworld characters; a place where the mere payment of ill gotten gains in the form of bribes to city officials and police officers they are allowed to remain unmolested in that city.

From what has been stated, and from information contained in the memorandum of Special Agent Butterworth, dated June 20, 1933, in the Kanmo file, it is logical to presume that Galatas received a "tip-off" as to the time, mode and place of delivery of Frank Nash. Akers or Mayor McLaughlin, either in order to protect their own skin or for a bribe from Galatas, evidently furnished Galatas with enough information to make it possible for Galatas to pass this information directly to Verne Miller, "Pretty Boy" Floyd and Adam Richetti, in order to arrange for the delivery of Frank Nash at Kansas City. Therefore, from the events that rapidly followed it would be a logical inference to state that such treason on the part of Mayor McLaughlin, Dutch Akers or other city officials, was directly responsible for the murder of five law enforcement officers, including a Bureau agent.

This same memorandum of June 20, 1933 confirms the information obtained in the instant investigation, of McLaughlin's influence in local gambling. This memo reflects that former Chief Brandenberg states that Galetas, a man named Clark, and Mayor McLaughlin control the slot machines at Hot Springs, Arkansas.

In the memorandum of Special Agent R. N. Butterworth, dated July 11, 1933, the following excerpts are worthy of cognizance to substantiate the fact that corruption permeated not only the city officials of Hot Springs, but also the officials of Garland County, in which Hot Springs is located, to-wit:

"He said (D.G.Saad) that two days after the arrest of Frank Nash and for several days thereafter he (Mr. Saad) saw Marion Anderson, a deputy sheriff (Now Sheriff) of Garland County drive up to Clark's (notorious gambler and slot machine racketeer) house on Cedar Street next to the Catholic Hospital and confer with Clark and Richard Ryan (Attorney for "Lucky" Luciano, N.Y. gangster) the lawyer in front of Mr. Clark's home."

This quotation reflects that the deputy sheriff of Garland County was so closely affiliated with the underworld that he was a part of them and was called in to attend their conferences.

The above information can better be appreciated when it is realized that the informant, D. G. Saad is a very reputable business man of Hot Springs, owning a large Auction House there for the past twenty years.

Mr. Saad further stated that LeVoy, a Seattle, Washington, big-time gangster, informed him that he, LeVoy, voted 16 times for Mayor McLaughlin at a city election, and had protection from Mayor McLaughlin.

This information is similar to the information gathered from telephone taps in the recent election of April 6, 1937. It clearly indicates how McLaughlin connived then and connives now to hold the balance of power by bartering with the underworld racketeers, gangsters and criminals to swap protection for votes.

The excerpts below speak for themselves to reflect how "con" men appreciate the asylum of Hot Springs and come there to locate and "clean" their victims.

M. T. Relyea, Manager of Maurice Baths, in an interview with Special Agents R. B. Nathan and H. E. Anderson, provided the following information:

"He (Relyea) further identified photographs of Herbert Farmer and Fritz Mulloy as persons he had seen at the bath house. Mr. Relyea frankly admitted that his place was used by numbers of confidence men, stating they were not permitted to operate in the place (bath house) but were good customers."

The memorandum of Special Agent in Charge Colvin, dated June 24, 1933, in the Kanmo file, reveals that Herbert Akers, Chief of Detectives, Hot Springs, informed as follows:

"That Herbert Farmer is a very dangerous man, a killer, and his best known line is the con game, and that he (Akers) recalls that about six months ago Farmer took an old man and his wife from Hot Springs to Reno, where he "cleaned" them for \$50,000 in the race con."

It was ascertained from conversations heard on the recent telephone taps that the press is very close to the City Administration in Hot Springs. Walter Ebel, a newspaper reporter is so closely

affiliated with Mayor McLaughlin that on the night of the election he prepared McLaughlin's statements to the press, made arrangements with Western Union for wire service to send McLaughlin's statements to the Memphis Commercial Appeal and to the Arkansas Gazette at Little Rock. This tie-up is more fully appreciated when it is noted that Ebel admitted recently that he was on the "pay roll" of William S. Jacobs at a salary of \$25.00 per week, Ebel stating his duties were to publicize the city of Hot Springs. It would appear, therefore, that Ebel, as a representative of the Hot Springs press, is in reality a mere football in the hands of the Mayor and the leading gambler.

In view of the foregoing, the following paragraph taken from the report of Special Agent W. F. Trainor, Oklahoma City, dated July 28, 1933, in the Kanmo file, is of interest:

"It is noted that it has been reported that the newspaper office at Hot Springs, Arkansas, is closely connected with the city officials and that information received by Associated Press or otherwise is available to the Hot Springs Police Department."

The excerpt below is of especial interest in revealing the character of Herbert Akers, Chief of Detectives of Hot Springs, Arkansas, and Marion Anderson, the Sheriff of Garland County:

"In a letter from Special Agent in Charge E. E. Conroy to the Director, dated December 21, 1933, in the Kanmo file, a Mrs. Parks, wife of Dr. William Parks, made the statement to Mr. Conroy that a burglar had attempted to break into her house one night, and upon arousing the family the burglar fled. As he fled she caught a glimpse of him, and upon seeing Dutch Akers on the street some time later she recognized him as being the burglar. She also stated that a friend of hers had also surprised Akers in the act of attempting to burglarize her home. She stated that it is generally known that Akers and Deputy Sheriff Anderson (now Sheriff) work as a team in prowling the homes of residents of the town."

In view of the corrupt conditions that were found to exist in Hot Springs, Arkansas, several years ago, and almost identical conditions that were discovered during the course of instant investigation, it is not surprising that nationally known and badly wanted criminals, such as Alvin Karpis, was able to stay in Hot Springs without fear of arrest, for the period of one year; that he and Fred Hunter, Harry Campbell and their criminal associates,

were able to move about freely with the assurance that they would not be arrested or harmed in any way by the local law enforcement agencies.

The above information supplements that which was obtained by a previous review of other serials in the Kanmo file, as reflected in the first portion of the report of Special Agent D. P. Sullivan, Little Rock, Arkansas, dated December 2, 1938.

PRINCIPAL RACKETEERS AND THEIR SUPPOSED
PLACE OF OPERATION OR DOMINANCE
IN HOT SPRINGS, ARKANSAS

Anderson, Andrew "Tex"

615 Okard St., Dallas, Tex.
Operated race horse wire with
Earl King at 211 Woodbine St.

Audrey,

Employee of Spencer's Cigar
Store, a gambling place.

Ault, Lee

Employee Citizens Cigar Store,
a gambling place.

Banski, Floyd

Alleged to be employed in one
of the gambling houses.

Beavers, Ernest

Gambler from Little Rock who
attempted to muscle in at
Hot Springs.

Bell,

Employed in gambling room,
Southern Club.

"Big" Harry

Gambler - Southern Club

Bloom, Louis

Gambler - Kentucky Club

Bloom, Sam

Operating book at Arlington Hotel
and at race track.

Brennon, "Blackie"

Gambler, employed by Jacobs at
Ohio Club.

Brown, "Brownie"

Mgr. of Ohio Club. Handles
horse bets.

Brown, W. Lee

Rhodes Apts., Houston, Tex.,
"con" man, gambler. Works for
Jacobs at times.

Bruto,

Employed in gambling room,
Southern Club.

Burns, Phil

Handles wires at Southern Club
for bookies.

Carroll, Tom

Gambler at Ohio Club.

Carson, Tony Manager White Front Cigar Store,
a gambling place.

Chase, Ed Co-owner Millsaps Sporting results
a gambling place.

Christman, Dutch Con-man, who frequents Hot Springs;
friend of Dutch Akers.

Clerk, Frank Slot machine king and friend of
Dick Galatas.

Cooper, L.D., Jr. and L.D.Sr., Part owners Belvedere and Southern Clubs.

Costello, Frank Gambler - Southern Club

Davis, "Doc" May be "con" man - friend of Akers

Day, "Bob" "Con" man - frequents Hot Springs

Deacon, Johnny Collector for W. S. Jacobs.

Dewey, Employee - Millsaps Cigar Store,
a gambling place.

"Doc" "Bookie" at Kentucky Club. Might
be same as "Doc" Davis.

Dooly, Spike Gambler - Southern Club. Lost \$3000
in robbery of Southern Club.

Dorsey Gambler, 217 Bower St., Hot Sprgs.

Dougan, Jimmy Probably gambler, Spencer's Cigar Store.

Douglas Operated book from room in Arlington
Hotel. Associate of Frachetti and
Sam Bloom.

Dutch (possibly Frisco Dutch Steinhardt) Blackjack dealer at Southern Club

Frachetti Ran bookie at Arlington and at
race track.

Frye, Jack Operates Keystone Bar and gambling
joint in rear.

George Interested in Oaklawn Track; friend
of Johnny Holder.

Gibbons

Employed gambling room, Southern Club.

Gilke or Gilkey

Operates poker game at Southern Club.

Grealy, Herb

Gambler or bookie - Miller's Cigar Store.

Grossman

Con man who frequents Hot Springs. Friend of Akers.

Hedley, Jim

Employee - Keystone Bar, gambling place.

Haines, Johnnie

Possible "Steer man in "con" or "roll" rackets. Local man in Hot Springs.

Hall, Bert

Manager or "pimp" at Ada Garner's house of prostitution.

Hamilton, Walter

"Big shot" gambler from Eureka Sprgs., Ark.

Hardin, Joe

Gambler of Little Rock, Ark., tried to muscle into Hot Springs gambling.

Harris

Gambler - Citizens Cigar Store

Harris, Phil

Operates poker game at Southern Club.

"Harry"

Probably identical with Big Harry or Harry Strong, a gambler.

Harrison, Ben

Owner of Citizens Sporting Results.

Hart, Bill

Gambler - former employee at Belvedere Club, now surveying for new gambling fields for W. S. Jacobs.

Heman, Joe

Possible "con" man, Eastman Hotel

Henderach, Gordon

Co-owner Blue Ribbon Club, gambling place.

Hennessy

Racketeer - hangs around Ohio Cigar Store.

Henry

Gambling operator - Ohio Club

Hines, Jimmy and wife

Gamblers at Southern Club

Hinkle, George

Alleged to be gambler in one of the joints.

Holder, Johnny, St. Louis, Mo. Probably racketeer. Tried to bribe racing Commission.

Hoopes, Harry H.

Reported as associate of racketeers.

Hoskins, Johnny Arrested for peddling narcotics, friend of W. S. Jacobs.

Hotchkiss, Douglas, Sec'y. of Hot Springs Chamber of Commerce. Part owner of Southern Club and Club Belvedere.

"Jack" Probably part owner or mgr. Kentucky Club.

Jackson Gambler - Ohio Club

Jacobs, William S. Czar of gambling in Hot Springs. Owner of Southern Grill, Club Belvedere, Ohio Club, and Kentucky Club.

Jefferson, Palmer Thief. At present accused by Hot Springs P.D. of holding up Chicago Club. Formerly car thief, protected by Akers.

Jim Employed in gambling room, Southern Club.

Johnson, Roscoe Gambler, bookie, co-owner and manager of Southern Club.

Katz, Sam (Chicago) Probably Chicago Racketeer. Akers wanted to look him over when he contacted Bill Hamilton.

Kelly, A. J. Probably "con" man - swindled a Mrs. Curtis out of \$60 at the races.

Kilgore Employee or gambler of Southern Club.

King, Earl "Con" man, operator of race horse wire service; paid off Akers \$500.00.

Larson, Lewis Co-owner - Blue Ribbon Club, a gambling place.

Law or Lohr, Cheppy "Con" man who frequents Hot Springs.

Lazzeri, John Gambler. Won \$1900 at Southern Club.

Ledgerwood, Archie Brother of Judge Verne Ledgerwood. Owns 25% of Belvedere Club. Gambler. Testified he saw Karpis, Nash and Galatas in Hot Springs.

Lemons, Lloyd Employee of one of the gambling houses.

Levi or Levy Little Rock gambler. Friend of W. S. Jacobs. Formerly employed in Hot Springs.

Longinnoti, Louis	Alleged employee of gambling house.
Manning, Grady	Owner of Southwest Hotels, Inc., Little Rock. Embryonic racketeer. Ready to open up gambling at Eastman Hotel when "lid blew off."
Mathew, Sam	Bookmaker present at Southern Club robbery 3/19/37.
Miller, Bill	Owner - Miller's Cigar Store & Sporting Results.
Millsaps, R. L.	Co-owner with Ed Chase of Millsaps Sporting Results.
Montgomery, Jack	Race horse "tout".
Morris, Johnnie H.	Right hand man of W. S. Jacobs, gambling czar.
Murphy	Bookmaker at Southern Club at time of robbery
Murphy, Tyree (negro)	Former strong arm man for Dick Galatas.
Murry, Ben D.	Professional bomsman, probably works racket with Akers.
McGraw, Otho c/o Madison Apartments, Long Beach, Calif.	Gambler who was to come to Hot Springs and work for W. S. Jacobs when "lid blew off". Possibly brother of Otis McGraw.
McGraw, Otis	Gambler, employee of Southern Club.
McLaughlin, George J.	Gambler, slot machine racketeer, murderer, co-owner Chicago Club. Brother to Mayor Leo P. McLaughlin.
Nebett, Frank	Employee of Southern Club
Nickels, Fred	Co-owner of Chicago Club, a "bookie" joint.
O'Hara, Ralph	Hoodlum visitor at Hot Springs.
Oliver	Gambler or employee at Spencer's Cigar Store.
Parker, Cecil	Gambler at Miller's Cigar Store.
Phillips, Otho	Gambler, manager of Club Belvedere, owned by Jacobs.
Phillips, Jimmy	Gambler or racketeer employed by W. S. Jacobs at Southern Grill.
Phillips, Norwood	Co-owner of Chicago Club, a gambling place.

Picchi, Matt Owner of White Front Club.

Pikeas, George Gambler employed at Blue Ribbon Bar.

Pollard, Pet Alleged to be employed in one of the gambling houses.

Powers, "Red" Consort of Madam Gladheart (a prostitute) and employed at Miller's Cigar Store.

Prince, John Racketeer and hoodlum of Hot Springs.

Ralph Employee of W. S. Jacobs

Rawson, Buddy Employee of Blue Ribbon gambling club.

Ray, Tom Gambler at Southern Club, and evidently at one time gambling operator for W. S. Jacobs. Evidently wealthy.

Rebsamen, Raymond Racketeer who possibly planned to associate with McLaughlin, Manning and Schneider in opening up gambling at Eastmen Hotel.

Rhine, Ray Probably big time gambler or "com" man. Roscoe mentioned Rhine had won \$0,000 around here.

Richardson, Lovell Petty hoodlum of Hot Springs.

Rivio, Joe Apparently associated with Jacobs in fraudulent voting of Mayor.

Rose, M. Race horse tout from St. Louis, Mo. His partner was suspected of robbery.

Russell, "Saratoga" Employed at Citizens or Southern Club, gambling places.

Ryan, George Former manager of the Kentucky Club.
(Died in March, 1937.)

Schaffner, Ruth Employed at Southern News stand.

Schwartz, Sally Race horse tout. Suspect in robbery of L. F. Shoemaker.

Seyle, H. J. Clerk at Chicago Club, a gambling place.

"Skip" or "Skippy" Dealer in gambling room at Southern Club.

Smith, "Bud" Apparently Manager Millsaps Cigar Store, a gambling joint.

Smith, "Cap" Gambling Manager at Southern Club. Lived with W. S. Jacobs in April.

Smith, Jackie Gambling promoter and associate of W. S. Jacobs and Roscoe Johnson.
Lindberg Hotel, Miami, Fla.

Spears, Ed Owner of Tango beer parlor and gambling place.

Spencer, C. J. Manager of Spencer's Cigar Store, a gambling place.

Spencer, Oliver Gambler at Spencer's Cigar Store.

Strong, Harry Gambler - part owner of Club Belvedere.

Stroud, Frank Employee at Southern Club.

Thompson, Frank B. "Con" man, bigtime gambler. Former political boss at St. Paul, Minn. Residing at Arlington Hotel.

Ural, H. T. Associate of and arrested with John Dickson.

Van

Gambler who books horses at the
Southern Club.

Vance, "Shotgun"

Operates pawn shop.

Wakelin, "Buddy"

Son of former Chief of Police Joe Wakelin.
Employed at Club Belvedere.

Walters, Elmo

Alleged con man or "steerer" who resides in
Hot Springs.

Wheatley, Erb "Jock"

Co-manager Miller's Cigar Store and gambling
place.

White, Johnny

Race horse tout, residing in Hot Springs.

Witt, P. O.

Uncle of Earl Witt, and employed at Club
Belvedere.

Wright, Martin

Employed in some gambling club.

Young, Cleveland,

Part owner of Club Belvedere.

Young, Tink

Gambler. Co-owner of Ohio Club.

Watt, Sam

Former partner of W. S. Jacobs, and part owner
of Club Belvedere.

LIST OF ARKANSAS STATE OFFICIALS
CONTACTED IN MATTERS AFFECTING
GARLAND COUNTY DURING TELEPHONE
SURVEILLANCE

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Name

Alphin, Hendrix	State Highway Commissioner
Atkins, John	State Revenue Department (State officer)
Bailey, Robert	Lieutenant Governor of Arkansas
Baker, Basil	Judge on Supreme Court Bench
Baldwin, Lucile	Deputy Circuit Clerk
Borney, (?)	State Senator
Bogart, R. D.	Member of State Racing Commission
Bransford, John	Speaker of the House of Representatives
Brickhouse, Ben D.	State Representative from Pulaski County
Burke, (?)	" Little Rock
Butt, John J.	" Carroll County
Campbell, Jim	" Garland
Compton	State Racing Commission, Prescott, Ark.
Donham, Fred A.	Prosecuting Attorney for 6th Judicial District
England, Ralph	State Racing Commissioner
Farris, Ed L.	Secretary of State Racing Commission
Faust, Bob	State Revenue Department (helped conduct raids)
Ford, D. L.	Head of State Revenue Dept. Investigating force.
Gordon, Ed.	State Racing Commission, Morrilton, Ark.
Graves, J. H.	State Racing Commission, Judsonia, Ark.
Guthridge, Amos	State Revenue Department (helped conduct raids)
Hale, Conway	State Racing Commission, Batesville, Ark.
Hall, C. G. "Grip"	Secretary of State
Hightfall, Hezekiah	Former Chairman of State Racing Commission
Hollingsworth, Carroll	Parliamentarian of House of Representatives
Holt, Jack	Attorney General, Little Rock
Hotchkiss, Douglas	State Racing Commissioner
Jackson, A. M.	State Racing Commissioner
Jernigan, Grover	State Bank Commissioner, Little Rock
Jones, J. F.	State Rep. (Montgomery Co.) Member of Inv. Comm.
Miller,	State Representative (Friendly to Mayor)
Morsheimer, Henry	State Racing Commissioner
Murry, I. T. "Ike"	State Rep. (Dallas Co.) Member of Inv. Comm.
McCall, Grady	State Game and Fish Commissioner (Friend of Akers)
McHaney, E. L., Jr.	Rep. Pulaski Co., Atty. for Mayor in divorce case.
McHaney, E. L., Sr.	Judge on State Supreme Court bench.
Neal, Ed	Probably Commissioner of State Lands.
Nichols, Lee	State Rep. (Logan Co.) Member of Leg. Inv. Comm.
Reed, Chism	Racing Commissioner, Paris, Ark.

Robbins, Dear
Robinson, Pat
Smith, Griffin
Tackett,
Thompson, W. M.
Vineyard, Foster
Ward, W. L.
Witt, Frank
Wood, Paul
Wheatley, Walter

Game Warden - territory around Hot Springs
State Rep. (Lafayette Co) member Legis. Comm.
Chief Justice, Supreme Court, issued search
and seizure warrants.
Representative from Pike County.
Rep. (Independence Co.) Member legislative comm.
Member of State Racing Commission
State Representative from Lee County
State Revenue Department
State Senator
State Senator from Garland County.

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